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ITAR-TASS Carries Press Review for 17 Jun

LD1706053594 Moscow ITAR-TASS in English 0443 GMT 17 Jun 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 17 TASS—ROSSIYSKAYA GAZETA on measures to combat banditry and organised crime.

"The state should have a single economic space and single legislation. The purpose is on that basis to tap the unique potentialities of each part of Russia," the newspaper quotes President Boris Yeltsin as saying at a meeting with the Tuva leadership during his three-day working tour of Blagoveschensk, Kyzyl and Novosibirsk. The tour ended on Thursday.

The newspaper carries an interview with police Major-General Gennadiy Chebotaryov, first deputy head of the Russian Interior Ministry's main department for action to combat organised crime. He comments on President Yeltsin's decree on the protection of the population from banditry and other manifestations of organised crime.

Chebotaryov said considerable resources have been brought into use of late to combat organised crime. Following the presidential decree, this work will be stepped up, he said, giving Interior Ministry data that the number of organised criminal groups in the country has increased from 785 in 1990 to 5,600 by now.

NEZAVISIMAYA GAZETA, in an article headlined "a cavalry attack on crime. The State Duma prepares a tougher law on action to combat organised crime than is provided for in President Yeltsin's decree", points out that a bill to this effect envisages rather long prison terms ranging from three to thirty years.

In another article, the newspaper points out that "Russia will not be able to bust crime until all legal foundations of a democratic state are restored..."

ROSSIYSKAYA GAZETA quotes Leonid Cheshinsky, president of the federal Roskhlebproduct Bakery Product Contract Corporation, as saying tht "Russia will not buy grain abroad this year". However, he believes, bread prices will go up in the middle or end of summer as a consequence, primarily, of the purchases of grain in the country on credit at bank discount rates. The prices of bread will grow by 20 percent a month on average, he said.

ROSSIYSKIYE VESTI runs an interview with Boris Nemtsov, governor of Nizhny Novgorod and member of the Federation Council, who believes that in agriculture "the key task for the government, the president, the State Duma and the Federation Council is to carry out a land reform on a voluntary basis".

"If the principle of voluntary participation is observed to the end, a land reform will last ten-fifteen years in Nizhny Novgorod and in Russia", Nemtsov maintains.

KRASNAYA ZVEZDA (RED STAR), in an article headlined "the state promised to protect us reliably from disasters. Is this task practicable?", writes about last year's growth of the number of breakdowns connected with discharges of toxic and radioactive substances into the atmosphere.

There were 1,180 emergency situations in Russia last year, with 10,133 people affected and 1,224 of them killed. The newspaper runs excerpts from this year's May governemnt resolution "On the protection of the life and health of the population of the Russian Federation in the event of an outbreak and elimination of the aftermath of emergency situations caused by natural calamities, industrial breakdowns and disasters". The resolution provides for the establishment of an all-Russia service for the provision of medical aid in the event of disasters.

KRASNAYA ZVEZDA runs an interview with Admiral Vladimir Yegorov, commander of the Baltic Fleet. Now that Lithuania and Byelorussia have become independent states and the territorial isolation of Kalinigrad region from the rest of Russia has become a reality, "it is urgently necessary to have a logistical base for stockpiling and the preparation of reserves on Russia's main territory. The Baltic Fleet will play precisely such a role of the Navy's logistical base," Yegorov said.

TRUD interviewed State Duma Speaker Ivan Rybkin who believes that Russia has now already passed the "point of no return" with regard to her totalitarian 70-years-long past, notwithstanding by-effects and losses. "There is only one road now—to a civilised future worthy of her people", Rybkin said.

In KOMSOMOLSKAYA PRAVDA, Valentin Stepanov, head of the main directorate for space rocket technology of the Russian State Committee on the Defence Industry, describes the problems of Russian aid to North Korea in the development of its nuclear programme and how a mass departure of Russian missile technology researchers and their families to that country at the end of 1991 was prevented.

RABOCHAYA TRIBUNA raises the subject of growing unemployment in Russia, tracing how funds exacted from people in the form of two- percent insurance tariff are being used. The newspaper notes contradictions in jobless accounting methods which do not reflect an actual situation, and the lack of a federal employment programme up to now.

PRAVDA maintains that the number of strikes staged in the first quarter of this year in Russia, including those in Siberian regions, was larger than in the entire 1993.

In view of the threat of unemployment and mounting discontent of Siberian workers, regional trade union organisations have dissociated themselves from the treaty on social accord, the newspaper writes.

Kozyrev To Visit Brussels To Discuss Partnership

LD1606192094 Moscow INTERFAX in English 1833 GMT 16 Jun 94

[Text] Russian Foreign Minister Andrey Kozyrev is leaving for Brussels on June 21-22 to discuss Russia's joining of the Partnership for Peace program, the Russian Foreign Ministry has told Interfax. In Brussels, Kozyrev will meet U.S. Secretary of State Warren Christopher. According to an agreement reached by the Russian and U.S. presidents in their recent telephone conversation, the meeting will focus on practical approaches to the resolution of the North Korea issue and the Bosnian settlement.

NATO Invitation Marks Recognition of Significance

PM1706085294 Moscow IZVESTIYA in Russian 17 Jun 94 p 3

[Report by Aleksandr Sychev: "NATO Invites Kozyrev to Brussels"]

[Text] At the latest session of the NATO Council the North Atlantic alliance member countries' permanent representatives adopted a decision, as the press release says, "to invite Russia to immediately begin talks in Brussels" on the problem of developing broader relations.

The Russian Foreign Ministry has been informed of this decision but has not yet received NATO's proposals which would, on the one hand, augment the Partnership for Peace program, which has already been signed by 18 European states not belonging to the bloc, and on the other would take into account Russia's special significance and role in European and international affairs.

To judge from paragraph nine of the NATO Council decision, which gives a quite extravagant account of Russia's significance and talks of the need for the alliance to develop ties with it, Brussels is aware that there can be no hope of the further strengthening of stability and security in Europe without it. Furthermore, the principle on which the new relations will be based—the "deepening of partnership without reciprocal vetoes and surprises"—causes no objections either in Moscow or in Brussels. In other words, Brussels need not fear that Moscow is going to interfere in NATO's affairs and Russia can expect to be consulted when pan-European affairs are being decided.

Moscow has set out its vision of Russia's ties with NATO twice—the first time in Brussels during Defense Minister Pavel Grachev's visit there, and again last week in Istanbul, where they were developed by Foreign Minister Andrey Kozyrev. Outwardly at least NATO reacted quite coolly to the Russian proposals, fearing criticism from the East Europeans for compliance toward "Moscow's expansionism" and hoping that the active campaign for Europe's affiliation to the Partnership for Peace program will force Russia to make major concessions.

When asked what compromise Moscow might make, one well-informed Russian policy expert replied that Russia will not be opposed to formulating additional measures in relations with NATO in a separate protocol and will undoubtedly insist on creating some kind of consultative mechanism, which would make it possible to conduct a broad dialogue on the whole range of policy and security questions.

Brussels is expecting the Russian Foreign Minister for talks as early as next week. At the Russian Foreign Ministry IZVESTIYA was told that Kozyrev did indeed intend to visit Brussels and launch large-scale cooperation with the North Atlantic alliance.

Grachev Aide Denies Minister To Visit Brussels

LD1606164794 Moscow ITAR-TASS World Service in Russian 1458 GMT 16 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Excerpt] Moscow, 16 Jun—A visit to Brussels by Army General Pavel Grachev, the Russian defense minister, is not planned for the immediate future, Yelena Aganova, the Russian defense minister's public relations and press aide, told the ITAR-TASS correspondent today. According to her, the reports by some mass media that the minister will leave for Brussels in the immediate future do not correspond to reality. [passage omitted]

Black Sea Fleet Ships To Safeguard Yeltsin's Visit

LD1706102394 Moscow ITAR-TASS in English 1009 GMT 17 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow June 17 TASS—A unit of Black Sea Fleet ships has left its base in Sevastopol for the Greek island of Corfu, a source in the fleet's press centre told TASS today.

The unit, headed by the big submarine chaser "Kerch", will provide security for the Russian president's upcoming visit to the island where he is to sign a cooperation agreement with the European Union.

Obstacles to Signing EU Document Removed

PM1706083194 Moscow IZVESTIYA in Russian 16 Jun 94 p 2

[Report by Aleksey Portanskiy: "Last Obstacle to Russia-EU Agreement Removed"]

[Text] The announcement of the fact that President Boris Yeltsin will be setting off 24 June for the Greek island of Corfu to sign a partnership and cooperation agreement between Russia and the EU was made to Russians with reference to the Greek deputy foreign minister, who revealed the news in Luxembourg Tuesday. The report was couched in the affirmative—not "intends to come," but "will come."

The most interesting point is that at the time of the Greek deputy minister's speech nobody in the Russian leadership, including delegation heads at the talks with the EU or even Boris Nikolayevich himself, could officially state that

the Russian president would be flying to Corfu—although everything was headed in that direction.

There are indeed no points at issue in the text of the partnership agreement, and intensive technical work to prepare it for signing is currently under way.

The other day Boris Yeltsin voiced the intention to sign this important document, but only in the event of its being utterly complete. I would recall that the Russian Federation president was invited to sign this agreement a year ago in Copenhagen, but the ceremony did not go ahead because we were dissatisfied with the quality of the agreement.

Moscow is right to announce that Boris Yeltsin will be flying to sign the partnership agreement, at least after having examined and confirmed the draft at a government session which has not yet been held. Otherwise, we would have a situation where EU ministers had held their own council of ministers session, as arranged, and given the green light to the signing of the document with Russia and would have automatically nodded through a similar decision on Moscow's behalf—even though, I would repeat, Russia is striving to move to a new level of relations with its West European partners no less than the EU is.

Also on Tuesday in Luxembourg President Leonid Kravchuk signed the partnership agreement between Ukraine and the EU. Ukraine has thus become the first CIS republic to sign such a document with the EU, which is something to celebrate and to sincerely congratulate our Commonwealth neighbors [sosedyam] on.

At the same time, this has allowed certain observers both here and abroad to talk about some kind of advantageous position for Kiev in obtaining a specific result in relations with West Europe. In actual fact, although Russia-EU and Ukraine-EU relations are similar, there are also some quite fundamental differences between them.

From the economic standpoint Ukraine is still seen by the countries of the "12" as the same as the former Union—that is, as a state with a centralized economy. On the contrary, Russia is recognized as having the status of a country with a transitional type of economy, which has rejected a state-controlled trading system. The Ukrainian document does not have a provision on trade in uranium, whereas in the Russian document it has been a stumbling block in the final stage.

For the EU the last obstacle to an agreement with Russia is being removed as a result of the signing by President Yeltsin the other day of an edict restoring the rights of five West European banks in Russia.

World Bank Grants $320 Million for Agriculture

LD1706020094 Moscow ITAR-TASS World Service in Russian 0005 GMT 17 Jun 94

[By ITAR-TASS correspondent Igor Borisenko]

[Text] Washington, 17 June—On Thursday the World Bank approved the granting of two loans to the Russian Federation for the development of agriculture.

One of them—for $240 million—is intended for accelerating the process of reforms in the agricultural sector, for creating a network of information and consultation services for farmers, for help in organizing individual, highly efficient enterprises. The other—for 80 million dollars—should assist in the process of land reform and privatization.

The loans are being granted on what are customary conditions for the World Bank, the repayment term is 17 years.

Panov Comments on DPRK IAEA Withdrawal

LD1706111994 Moscow INTERFAX in English 1024 GMT 17 Jun 94

[Text] Russia's Deputy Foreign Minister Aleksandr Panov told Interfax that although Pyongyang's withdrawal from the International Atomic Energy Agency [IAEA] complicated matters, Russia was not withdrawing its call for an international conference on the Korean peninsula.

He said it was not Pyongyang's decision to withdraw from the IAEA and Nuclear Non-Proliferation Treaty that called for sanctions. Sanctions were not introduced against a country for this kind of decision, Panov said, because any country had the right to join a treaty or withdraw from it.

Panov went on to say that the international community was discontent with Pyongyang's failure to show good will and cooperate with the IAEA. As a result, the IAEA had failed to get a full picture of the North Korean nuclear program and had moved to raise the issue of sanctions.

Panov said that both Russia and its partners were interested in a negotiated solution of the problem. The Russian call for an international conference was gaining support, he said.

Atomic Energy Minister on DPRK Readiness To Make Bomb

LD1606192294 Moscow ITAR-TASS World Service in Russian 1655 GMT 16 Jun 94

[By ITAR-TASS correspondent]

[Text] Moscow, 16 Jun—North Korea is not yet ready to make an atom bomb in the opinion of Viktor Mikhaylov, the Russian Minister of Atomic Energy. It is too complicated a process, he said today when he was asked by an ITAR-TASS correspondent whether the DPRK will be able to produce enough plutonium to make atomic weapons.

As for the DPRK's departure from the IAEA, Viktor Mikhaylov considers that "this is more a cry from the heart on North Korea's part." He urged a dialogue between Russia and the United States on the issue of sanctions against the DPRK, observing that the country cannot be isolated, even if it announces its departure from the IAEA.

"I think," he emphasized, "that on the North Korean issue dialogue will prevail and the DPRK will remain in the IAEA."

Official Views Proposals on Sanctions Against DPRK

LD1606170294 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 16 Jun 94

[Text] Valentin Moyiseyev, a top official of the Russian Foreign Minsitry working with North Korea, has this to say about Russia's proposals regarding the UN Security Council's draft resolution on North Korea.

[Begin Moyiseyev recording] We believe the draft resolution—and this does not necessary have to be a joint resolution, it could be an agreed resolution—should first consider inviting Pyongyang—not just Pyongyang alone but other countries mentioned in our proposal—for an international conference aimed at finding a solution to the problems of the Korean peninsula as a whole. And if this conference fails to achieve any positive results and after all other political methods of solving the Korean nuclear problem are tried and failed, only then can step-by-step sanctions be applied. [end recording]

State Duma Speaker Favors International Forum on DPRK

LD1606160794 Moscow INTERFAX in English 1353 GMT 16 Jun 94

[Text] Duma Speaker Ivan Rybkin spoke out in favor of Russian Foreign Minister Andrey Kozyrev's call for a conference on the Korean peninsula.

Talking to journalists in Bonn on Thursday, he said that even if sanctions were imposed on North Korea, they should be implemented in stages. In his opinion, sanctions could be applied only after stern warnings.

Meanwhile, the head of the Duma's International Affairs Committee Vladimir Lukin said that the lower house expects Kozyrev to report on the situation in North Korea on Friday. And on June 20, the committee will hear from the ambassadors of the countries concerned.

Pentagon Seen Preparing for 'Possible War' in Korea

PM1706085994 Moscow KRASNAYA ZVEZDA in Russian 17 Jun 94 p 3

[Report by M. Ponomarev: "Heightened Hysteria Envelops the the Pentagon Too?"]

[Text] The unimaginable commotion in the U.S. mass media over the problems in the nuclear sphere which have emerged on the Korean peninsula is spreading. It seems that the U.S. Defense Department has also given way to the hysteria being fueled by some newspapers and television companies.

THE WASHINGTON TIMES asserts that concrete plans are being hastily drawn up in the Pentagon in case of an outbreak of military actions. As far as can be judged, it is primarily a matter of reinforcing the South Korean troops deployed in the region of the DMZ dividing North and South Korea. Pentagon experts believe that the configuration of forces there is now clearly to Seoul's disadvantage: The South Korean Army has only a few large combined units in the vicinity of the Zone, totaling 21 divisions, whereas the DPRK has concentrated two-thirds of its armed forces there, comprising 1.2 million men in all.

Because of this, it is reported from Washington, the Pentagon is examining options for transferring U.S. troops into the DMZ area. Right now the number of American troops on the Korean peninsula totals 36,000 men. But they can quickly be bolstered by a further 26,000 Marines stationed in Okinawa. It is also planned to move additional armaments to the threatened region and to top up reserves of equipment and ammunition, in particular the so-called "bunker bombs" designed to destroy hardened underground targets. Among such targets the U.S. generals primarily class installations associated with the DPRK nuclear complex in Yongbyon.

Citing "informed sources," the U.S. press writes that the intelligence services have already transferred additional skilled staff to South Korea. They are being employed to analyze and evaluate information received from artificial earth satellites, reconnaissance aircraft, and bugging devices located at sea and on land.

Citing the magazine DEFENSE NEWS, ITAR-TASS also reports that the U.S. Defense Department intends to make use of the latest acoustic technologies to identify and chart underground passages and tunnels which it is suggested that Pyongyang has constructed. These installations, allegedly created for "covert penetration" of South Korean territory, are supposed to be revealed by studying the concussion [detonatsiya] resulting from exploding special charges, using a method developed by the "Eliant Techsystem" [name as transliterated] company.

These are just a few of the items appearing in the U.S. press on the subject of Pentagon preparations for a possible war on the Korean peninsula.

DPRK Must Change Stand To Avoid Sanctions

LD1606142694 Moscow Radio Moscow World Service in English 1110 GMT 16 Jun 94

[Yuriy Soltan commentary]

[Text] Pyongyang still has the time and the possibility to avoid sanctions. One thing only is needed for that: North Korea must change its present stand, which only generates more suspicion that the country already has or intends to have its own nuclear weapons. The Moscow proposal still holds about calling a many-sided conference to postpone sanctions. The conference might work out effective measures to safeguard the sovereignty and security of the two Korean states, that's on the one hand, and on the other to guarantee a nuclear-free status for the Korean peninsula.

North Korea is among many countries that considers such a conference feasible, but its conduct so far, especially its withdrawal from the IAEA, makes one think that the country opts for a path of upsetting the nuclear nonproliferation regimen. If that is the case the international community has no other choice but to introduce sanctions. Russia's foreign minister, Andrey Kozyrev, says such a development would be highly undesirable.

The United States draft resolution put before the United Nations Security Council offers an embargo on arms supplies to North Korea, curtailing financial transactions with it and suspending United Nations relief aid, but even if the draft is passed the sanctions will be phased, not introduced immediately. Pyongyang still has the time to prove to the world that its nuclear program is strictly peaceful.

As for brandishing arms, this is something fully applicable not only to Pyongyang but also to Washington and Seoul. That can have serious complications on the state of affairs on the Korean peninsula and in the rest of northeast Asia.

Korea 'Misgivings' Show Nuclear Danger Persists

PM1606132994 Moscow KRASNAYA ZVEZDA in Russian 16 Jun 94 p 3

[Article by Manki Ponomarev: "Fear Is Receding, but the Threat Still Exists"]

[Text] A truly symbolic fact. Today not one of the many hundreds of our strategic nuclear missiles located in silos, on mobile systems, and on board submarines is any longer aimed at any target on U.S. or British territory. Nor do the United States and Britain now target their strategic missiles on targets in Russia or on any other former Soviet territory.

The abandonment of reciprocal missile targeting confirms that, for all the complexity and ambiguity of the international situation and despite all the conflicts, including armed conflicts, which are poisoning the atmosphere in the world, the threat of nuclear war is receding. It is doing so slowly, getting held up time and again on the intervening borders, but nonetheless increasingly noticeably even to the naked eye. At the same time fear of the possibility of such a threat is also receding.

More and more evidence of this is coming to light. KRASNAYA ZVEZDA said not so long ago that the United States had adopted the decision to abandon the "Doomsday" program, which provided for the creation of underground shelters for the purpose of ensuring the continuity of the country's political and military leadership in the event of a nuclear conflict. This program, which, so THE NEW YORK TIMES writes, had recently appeared merely "a pale shadow of the concept approved by President Reagan in 1983," has now been deemed to have lost its urgency.

The FRG Government intends to follow suit and take a similar measure. A shelter designed to accommodate top government establishments in the event of a nuclear war had been constructed back in the sixties near Bonn—between the towns of Ahrweiler and Dernau. It was reckoned that this would enable 3,000 people to survive such a war. Galleries many kilometers long, with working and living premises, storehouses for food and other supplies, and even a cemetery-crematorium, were tunneled at a depth of over 300 meters beneath the slopes of a mountain covered with vineyards.

The question of ending further funding (more than 10 million marks annually) to maintain the government shelter and its defenses in working order is now at the decision stage. At the same time supporters of such a measure recall that nuclear shelters are already being sold off in Britain, and approximately 800 of them have already acquired new owners, who use them as wine cellars or mushroom farms.

Russia, incidentally, is also starting to take the same path. The majority of Yaroslavl's 200 shelters, constructed in the past to save its residents in the event of war, are now being fitted out as offices, stores, sports halls, production shops, warehouses, and even auditoriums. At the same time the lessees are obliged to maintain the shelters' equipment in working order and to vacate them if an emergency should arise.

There is also, of course, far weightier confirmation of the fact that the nuclear threat and also, at the same time, the fear of it are increasingly receding into the past. It is possible to recall that Britain has also recently begun to take measures to reduce nuclear armaments by approximately 25 percent. In particular, the British Ministry of Defence has abandoned plans to fit nuclear warheads to the 50 Tomahawk cruise missiles being purchased from the United States and earmarked for installation on Trafalgar-class attack submarines. As for France, whereas only quite recently it was planned to build six nuclear-powered submarines with nuclear ballistic missiles, Paris has now decided to stop at four.

These are just a few examples which show, in fact, that the fear of the possibility of a nuclear missile war being unleashed, which hung over mankind for long years like the Sword of Damocles, is gradually beginning to recede. But it is still too soon to bang the drums—suffice it to recall the grave misgivings aroused by the situation taking shape on the Korean Peninsula in the nuclear sphere. The threat of the uncontrolled proliferation of nuclear weapons still seems real. No way can this be disregarded.

DPRK 'Tough Brinkmanship' Predicted To Continue

PM1606163994 Moscow IZVESTIYA in Russian 17 Jun 94 p 3

[Report by Vladimir Nadein: "Washington Proposes First Sanctions Against Pyongyang"]

[Text] Washington—The United States has proposed the first package of measures for economic sanctions against North Korea to the United Nations. While former U.S. President James Carter enticed the DPRK foreign minister

at a state dinner in Seoul with prospects of extensive trade, respectful relations, and mutually advantageous trading exchange between the despotic Pyongyang and Washington, leader of the free world, M. Albright, U.S. permanent representative at the United Nations, clearly showed that her government was tired of waiting.

The sanctions against North Korea—which has left the international organizations that inspect and coordinate all work with nuclear materials—have put the United Nations face to face with the need for action. The United States has taken the lead, as usual in recent years. The first set of measures proposed by Washington on Wednesday does not look very impressive. It is believed that the United Nations will only approve two points: discontinuing weapons trading with the DPRK and discontinuing all air flights except for passenger flights.

Observers maintain that this is just the first step. If Pyongyang does not listen and continues its policy, tougher sanctions will follow. In particular, the next step will be to freeze all the DPRK's assets in international banks and exclude this country from transnational financial activity.

North Korea has repeatedly stated that it will consider any economic sanctions to be an act tantamount to a declaration of war. However, a group of journalists who arrived in Pyongyang together with Jimmy Carter did not discover any outward signs of preparation for combat operations.

The magnificent reception given to Ex-President Carter by no means signifies Pyongyang's readiness to respond to his initiative. Carter's idea briefly boils down to North Korea being promised serious political and business contacts, and talks about this would start straight away as soon as the DPRK restores access to its nuclear reactors for international inspection. However, these promises have met with no response in Pyongyang.

Many people believe that the DPRK will continue with its tough brinkmanship [protivostoyaniye na grani voiyny] until it receives real diplomatic recognition in the West and until the blockade, which has become particularly painful following the disintegration of the USSR and China's greater involvement in the world economic process, is broken.

However, all the indications are that North Korea's intentions do not end there. As one expert on the region said, "through its activity in developong [sozdaniye] an atomic bomb, Pyongyang wants to achieve two aims. The first is to achieve international recognition. The second is to obtain an atomic bomb."

Analysts believe that the aged North Korean dictator Kim Il-song can foresee a time when the unification of Korea into a single state will become inevitable. Possessing nuclear weapons may be a the deciding trump card both at the unification negotiating table, and, equally importantly, under the table.

Commentary Assesses DPRK Withdrawal From IAEA

SK1606150494 Moscow Radio Moscow in Korean 1000 GMT 16 Jun 94

[From the "Focus on Asia" program]

[Text] The DPRK's decision to withdraw from the IAEA has created new tensions with regard to the nuclear issue on the Korean peninsula. Our station commentator (Krichevskiy) writes:

Pyongyang has taken a new, very dangerous measure to beef up its confrontation with the international community. By so doing, Pyongyang tries to free itself from the IAEA's intervention with regard to the nuclear issue. However, this measure does not mean that the DPRK can ignore the IAEA's right to continue the inspections. This is because the Nuclear Nonproliferation Treaty [NPT] stipulates such a right. The DPRK is still a signatory of this treaty.

Pyongyang's decision immediately has caused a greater worry worldwide. A problem facing governments of many countries and the United Nations is what they should do. The United States more strongly demands that sanctions be imposed immediately.

Russia has begun to refer to sanctions more often. Russia does not like to see a country—that violates the NPT and possesses nuclear weapons—appear in its neighborhood. Russia does not like to see the situation along its border aggravated, either.

However, sanctions will inevitably bring such results. Therefore, Moscow has tenaciously pursued the possibility of imposing sanctions step by step and a proposal for convening an international conference attended by representatives of Russia, China, the United States, the DPRK, the ROK, the IAEA, and the United Nations.

There have been some results. After talking to U.S. President Clinton over telephone on 14 June, President Yeltsin said that they agreed to convene an international conference on the nuclear issue on the Korean peninsula. They assigned the Russian Foreign Ministry and the U.S. Secretary of State to the task of linking the issue of holding of the international conference to the issue of imposing sanctions on the DPRK step by step.

China still plays an important role in coping with the crisis. China expresses a grave worry over the DPRK's decision and the future development of the situation on the Korean peninsula. Observers say that as it did before, Beijing opposes sanctions on the DPRK, demands the resumption of direct talks between Korea [choson] and the United States, and keeps silent on Russia's proposal for convening an international conference with China in attendance. In short, a complicated situation is prevailing.

However, there is still hope. This will be especially true if Pyongyang signals aspirations for resolving the complex knot, instead of bringing the issue to a deadlock.

Yeltsin's Meeting With SRV Prime Minister Cancelled

LD1706084194 Moscow ITAR-TASS in English 0832 GMT 17 Jun 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow June 17 TASS—The meeting of President Boris Yeltsin with Vietnamese Prime Minister Vo Van Kiet, scheduled for Friday, was cancelled, the presidential press service reported. It gave no explanations.

'Urgent State Affairs' Cited

LD1706101294 Moscow ITAR-TASS in English 0943 GMT 17 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 17 TASS—Russian President Boris Yeltsin failed to receive Vietnamese Prime Minister Vo Van Kiet on Friday because he has to solve urgent problems which have accumulated during the three days of his absence from Moscow, a high-ranking Kremlin official told TASS on Friday adding that "there are no politics behind the cancelled meeting".

He added that the meeting was planned only in a preliminary way. "As far as the Russian-Vietnamese documents are signed at the level and upon mutual agreement of the prime ministers of both countries, Boris Yeltsin who has been absent from Moscow for three days, is busy with urgent state affairs today", the official said. He did not elaborate.

Yeltsin spent three days touring the Russian Far East.

The TASS correspondent who was at the government Vnukovo-2 Airport on Thursday when the president returned back to Moscow reported that the presidential escort waited for 45 minutes while Yeltsin was talking right at the entrance to the airport with Foreign Minister Andrey Kozyrev, chief of his staff Sergey Filatov and Interior Minister Viktor Yerin. There was a feeling that a lot of questions have been awaiting the president in Moscow since his departure.

Minister Departs 17 Jun

LD1706152394 Moscow ITAR-TASS in English 1457 GMT 17 Jun 94

[Text] Moscow June 17 ITAR-TASs—Vietnamese Prime Minister Vo Van Kiet left Moscow for home today. He was seen off by Chairman of the Government of the Russian Federation Viktor Chernomyrdin at Vnukovo-2 Airport.

The head of the Vietnamese Government completed his official visit to Moscow, during which he held talks with the Russian Premier Viktor Chernomyrdin and signed the treaty of friendly relations between Russia and Vietnam.

Friendship Treaty Signed With Vietnam

LD1606145294 Moscow ITAR-TASS World Service in Russian 1425 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[Text] Moscow, 16 Jun—A treaty on the bases of friendly relations between Russia and Vietnam was signed this evening in the Russian Government residence on Sparrow Hills. The signatories of the document were Viktor Chernomyrdin, chairman of the government of the Russian Federation, and Vo Van Kiet, prime minister of the government of Vietnam.

Three other agreements were also concluded: an agreement to encourage and provide mutual protection for capital investments, an agreement on economic and scientific-technical cooperation in the sphere of the agro-industrial complex, and an agreement on cooperation in the sphere of fisheries.

Camranh Naval Base To Be Resolved on 'New Principles'

LD1606195494 Moscow ITAR-TASS in English 1907 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Bychkov]

[Text] Moscow June 16 TASS—The problem of the use of the Camranh Base in Vietnam by the Russian Navy should be resolved on the basis of new principles in keeping with the spirit and demands of our time, Vietnamese Prime Minister Vo Van Kiet, who is on an official visit in Moscow, said in an interview with ITAR-TASS today.

"The crux of the matter is that," the Vietnamese leader recalled, "the agreement dates back to the period, when the Soviet Union still existed. That is the reason today we are signing a new interstate treaty with the Russian side, renewing and improving previous accords." Vo Van Kiet did not elaborate on details of the agreement, but he noted that the principles it is based on "will conform to conditions prevailing in our both countries today."

The Camranh base on the Vietnamese coast of the South China Sea was modernized during the years of war waged by U.S. forces in Vietnam. After America's retreat from Vietnam this facility was changed into a material-technical support centre for the Soviet Union's Navy. Currently the Camranh Bay is being used by Russia on the basis of the agreement signed by the former Soviet Union and Vietnam in 1981. The validity of the agreement expires in 2004. The strength of the servicing Russian personnel has been reduced to almost the one-fourth compared with that in 1980, and coordination with the Vietnamese side has been converted to commercial basis.

Foreign Minister Meets With Swiss Counterpart

LD1606141794 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 16 Jun 94

[Text] Andrey Kozyrev and Flavio Cotti, head of the department of Foreign Affairs of Switzerland, held talks today at the Foreign Ministry. They talked about European security, and the role of the CSCE in consolidating it, as well as about the situation in the former Yugoslavia and the NATO Partnership for Peace initiative.

Says U.S. Proposals 'Not Discussed'

LD1606163994 Moscow INTERFAX in English 1353 GMT 16 Jun 94

[Text] Russia's Foreign Minister Andrey Kozyrev told Interfax after talks with his Swiss counterpart Flavio Cotti that the drafting of the U.N. Security Council resolution on sanctions against North Korea was proceeding unsatisfactorily.

He also expressed surprise that the U.S. had circulated its own draft resolution which contains a list of sanctions against North Korea.

He said that this resolution went against the agreement on joint work, reached during recent telephone conversations between Bill Clinton and Boris Yeltsin. This plan was also confirmed during a telephone conversation with U.S. Secretary of State Warren Christopher, said Kozyrev.

"We decided to work together on a resolution that would provide for sanctions on the one hand, and for an international conference on the North Korean problem on the other," he went on to say. "We also agreed not to advance unilateral initiatives," he said.

The American diplomats' moves complicate the solution of the problem, said Kozyrev. "We shall not support sanctions which have not been discussed with us. This will complicate the work of the Security Council," he added.

He announced that Russia had confidentially sent Americans its own ideas on the draft resolution which attached equal importance to sanctions and the international conference.

Kozyrev also told Interfax that during a telephone conversation with Christopher, he named a date for a meeting in accordance with the agreement reached between the Russian and American presidents. "Christopher will respond. I'm ready to meet with him at any convenient time," said Kozyrev.

Kozyrev, Cotti Sign Cooperation Protocol

LD1606173494 Moscow ITAR-TASS in English 1709 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[Text] Moscow June 16 TASS—Russia and Switzerland are interested in seeing the Conference on Security and Cooperation in Europe (CSCE) play a "central and increasingly important role on the continent", Russian Foreign Minister Andrey Kozyrev said at a press conference today. He was summing up the results of the talks held with Switzerland's head of federal department of foreign affairs Flavio Cotti in Moscow today. The head of the Russian Foreign Ministry and his Swiss counterpart signed a protocol on cooperation between foreign policy departments of the two countries.

Andrey Kozyrev called Bern's stand on international issues "responsible and constructive". He noted that the Russian foreign policy has been rid of "not only of the ideology syndrome, but of the complex of gigantomania as well". Kozyrev emphasised: In Moscow we have "learnt to value a partner, even if it seems to be a small country." "Switzerland, which is situated in the very centre of Europe, is our reliable friend and partner", he said, ascertaining that bilateral relations are quite intensively developing in all directions, including economic". The Russian foreign minister also noted personal friendly relations which he had established with Flavio Cotti during the head of the Russian foreign department's first official visit to Switzerland in 1992.

The Russian minister said that during today's talks they discussed regional problems. Kozyrev highly praised activities of Swiss diplomat and U.N. secretary-General's special envoy in Georgia Edouard Brunner. He called the latter's peace efforts an "example of concrete participation in settling the Georgian-Abkhazian conflict together with Russia."

Flavio Cotti thinks that Russia's peacemaking activities, naturally within the framework of international decisions, are in common interests". According to him, envoy Brunner also shares this conviction. The Swiss head of department of foreign affairs said that he agrees to Brunner's mission in Georgia being extended to an additional period, and he had recently spoken about it to U.N. Secretary-General Butrus Butrus-Ghali in Geneva. Taking into consideration the situation in Georgia, we are of the view that Brunner's mandate will be more directed towards organizational, legal and institutional issues. Besides this, in Cotti's opinion, it concerns the continuation of the traditionally peculiar to Switzerland diplomatic activities of mediation and rendering good services.

Kozyrev Calls For Further CIS Integration

LD1606140094 Moscow ITAR-TASS in English 1325 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Boris Krivoshey]

[Text] Moscow June 16 TASS—Russia should remain the "locomotive of reform", and the stronger the Russian state will be politically and economically, the better it will be for the other CIS countries and integration, according to Russian Foreign Minister Andrey Kozyrev.

Speaking at a Foreign Policy Council meeting devoted to further integration in the Commonwealth of Independent

States, Kozyrev noted that Russia is also interested in the all-round strengthening of the CIS member-countries, so that she would be surrounded by stable states. He said Russia was ready for as much integration as its partners desired.

Kozyrev pointed out that there are a lot of far-reaching ideas being bandied about now, such as Kazakhstan President Nursultan Nazarbayev's proposal to create a Euroasian Union, or ideas about forming a confederation.

From Russia's point of view, any of these proposals would be acceptable. However, "it would be best to avoid a situation in which the proposal and discussion of such promising ideas does not hinder us in solving specific pressing problems, or distract our attention from them", Kozyrev said. He stated that it was most important to concentrate joint efforts on coordinating legislative activity and searching for ways to make the CIS interparliamentary assembly more effective.

The Foreign Policy Council's meeting was attended by representatives from the parliament, various ministeries and departments, political and public organisations, and the clergy.

Minority Representatives Meet Council of Europe Team

MK1606114094 Moscow SEGODNYA in Russian 16 Jun 94 p 3

[Report by Natalya Amanova and Lev Aleynik under the "Self- Determination" rubric: "National Minorities Explain Their Position to Council of Europe"]

[Text] Representatives of the Congress of Ethnic Associations of Russia [CEAR] met with Council of Europe experts in the Department for Human Rights of the Russian Federation Ministry of Foreign Affairs. The CEAR was represented by the German, Korean, Moldovan, Ukrainian, Polish, Karaim, Tatar, and Jewish communities, as well as the Ingush and Ossetian organizations representing the territorial "autonomous entities." The Council of Europe was represented by members of the commissions for human rights and political issues and of the judicial chamber. The experts were led by the head of the court department of the Council of Europe's human rights commission, Prof. Bernard, who said that "the group is here to listen rather than speak because Russia has started the process of joining the Council of Europe, and one of our tasks is to find out about the position of national minorities."

However, a number of participants in the meeting believed, the experts "were unprepared for it" because "national minorities are nonexistent as far as Russia and all its parties and the Council of Europe are concerned." According to statistics, non-Russians account for 30 percent of Russia's population. The notion of a "national minority" has not been defined in legal terms.

The main demands of the CEAR were expounded by, Roman Spektor, member of the Executive Committee of the World Jewish Congress. The CEAR is pressing for the right of national minorities to be "represented in the organs of power or under their auspices," for which it offers to create a "consultative structure in the shape of an Assembly of Peoples." The second demand is the implementation of the right to national-cultural autonomy, which can be "territorial and ex-territorial." The CEAR is trying to "hold consultations with parties and democratic political movements, and it is ready to cooperate with them not in order to compete for seats in the Duma but rather in order that the parties whose electorate we are ready to join should take account of our interests and match them at the legislative level."

Two days after the meeting with the Council of Europe experts there was a meeting with Yegor Gaydar which discussed the 1996 elections and the CEAR stance in them. As Mr. Spektor stated, "we can become partners as we cooperate on certain questions if some of the parties become our lobbyist."

Contact Group on Bosnia-Herzegovina Meets in London

LD1606150194 Moscow ITAR-TASS in English 1453 GMT 16 Jun 94

[By ITAR-TASS correspondent Vladimir Voronkov]

[Text] London June 16 TASS—The "contact group", comprising Russia, the United States and the European Union is holding a working session in the British capital today in its bid to work out a peaceful solution to the crisis in Bosnia-Herzegovina and its future constitutional and territorial set up. Russian presidential special envoy and Deputy Foreign Minister Vitaliy Churkin is taking part in the meeting.

The British Foreign Office told ITAR-TASS that all parties at the session are striving to agree to the last details of the "geographical division" map of the Former Republic of Yugoslavia. The whole package is to be approved at a minister-level meeting of Russia, the U.S., Great Britain, France and Germany, which is scheduled to take place within the next two to three weeks.

Later the documents, which are in informed circles regarded as ultimatums of their own kind, will be handed over to the Serbs, Croats and Moslems, the hostile sides in Bosnia-Herzegovina. The range of the issues discussed by the "contact group" is extremely complicate, the British Foreign Office representative noted. For this reason, the possibility of the talks being extended until friday cannot be ruled out, he indicated.

According to British Foreign Secretary Douglas Hurd, the international committee has only a few days left at its disposal to put an end to the Bosnian conflict. Speaking in London on Wednesday, Hurd noted that there exists a real danger of a new war braking out in Bosnia-Herzegovina, which may spill over beyond its borders.

Stepashin Says Russia To Take 'Tougher Line' With PRC

LD1606151394 Moscow Mayak Radio Network in Russian 1240 GMT 16 Jun 94

[Text] Sergey Stepashin, director of the Federal Counterintelligence Service and a member of Russia's Security Council, is on a tour of the Far East. He has arrived in Vladivostok from Sakhalin, where he held a news conference. Asked by our correspondent Sergey Padenko about the activities of special services of adjacent states, Sergey Stepashin said:

[Begin recording] [Stepashin] I will not name any names, but representatives of the Chinese and North Korean intelligence services have been very active recently in the Maritime Kray. They use methods of direct recruitment and especially military espionage. After all, Vladivostok is a military town. Narcotics is also involved. Despite the fact that most states surrounding the territory of the former Soviet Union have become our partners rather than potential opponents and enemies, their special services have become more active than before.

[Padenko] Here is his answer to the question about borders:

[Stepashin] You know the position of the Chinese side. China is very active on the subject and has a viewpoint of its own. I believe that our Foreign Ministry and those who are empowered to conduct negotiations on border guard troops must take a much tougher line. We lost our people on Damanskiy Island. We gave away about 1,200 islands. Therefore we will be discussing this at the Security Council.

[Padenko] And here is Sergey Stepashin's answer to the question about interaction between the Interior Ministry and the Federal Counterintelligence Service.

[Stepashin] Next week Interior Minister Yerin and I will be signing an agreement enshrined in a range of judicial documents on interaction and the demarcation of powers. Several joint orders will also be signed. Whereas in the past there was competition, as you know, and sometimes even confrontation between the two departments, now Minister Yerin and I have agreed—and we will do it, I can assure you—to put a stop to this confrontation. Our departments will be collaborating in the investigation of corruption among the top ranks of state power. We will also be investigating a range of groups involved in organized crime where we have our agents and therefore have the opportunity to work. We will be investigating cases of international terrorism and international drug trafficking Jointly with the Interior Ministry. In addition, in the very near future the president will sign an edict on setting up a directorate and other appropriate bodies on the territory of operations in progress. [sentence as heard] We will also have the opportunity to take direct part in the detention, search and, if necessary, elimination of those who are breaking the law and encroaching on human rights and life. [end recording]

New Visa, Customs Regulations Upset Chinese

OW1706100294 Moscow Russian Television and Dubl Networks in Russian 0605 GMT 15 Jun 94

[V. Voropayev report over video; from the "Dalniy Vostok" program]

[Text] China's Heilongjiang Province, which is our country's main partner in the PRC, is threatening to switch its trade contacts with Russia to the dynamically developing states of Southeast Asia. The province's leadership made a statement on revising foreign economic priorities due to the new situation in the region. Simply put, our Chinese neighbors are very unhappy about the new Russian visa regulations and new customs dues. These measures significantly reduced the flow of goods across the border—according to Chinese sources, the reduction reaches 45 percent. Official Beijing has already adopted retaliatory measures that limit the import of raw material and semifinished products from Russia, and Heilongjiang firms have been advised to look for new foreign sources of income. Only time will show how real these threats of our affronted neighbors are, but China is far from being our only partner in Asia to justify our creating some kind of special conditions for it. It is hardly worth to dramatize the reduction of goods exchange—after all, the reverse side of the frantic trade relations with China has amounted to the noticeable complication of the situation in Far East border districts.

The first stage of the 'Foreigner' [inostranets] operation carried out in the Maritime Kray showed the necessity of tightening the monitoring of entry of Chinese, Vietnamese, and DPRK citizens. Many of them break visa regulations, forge documents, and try to stay in the Maritime Kray through fair means or foul. During the 10 days of purposeful inspection, about 1,000 foreign citizens who had broken Russia's laws were deported from the kray. However, the number of PRC tourists who have lost their way here amounts to thousands, and, therefore, operation 'Foreigner' will not be limited to the first stage.

Kozyrev on Dialogue With Baltic States

LD1606151994 Moscow ITAR-TASS in English 1427 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Boris Krivoshey]

Moscow June 16 TASS—Russia is trying to maintain friendly relations with not only the CIS country-members, but with the Baltic countries as well, according to Russian Foreign Minister Andrey Kozyrev.

Kozyrev, speaking at a foreign policy council meeting on Thursday, said civilised dialogue was being strengthened between Russia and the three Baltic states. The questions of human rights violations and the rights of the Russian-language population and other minorities in the Baltic region are still on the agenda, he said. The Russian foreign minister noted that the complete withdrawal of Russian

troops from the Baltic countries would not lead to a decrease in attention paid to those questions.

Luzhkov Welcomes Privatization Edict, Woos U.S. Business

MK1606120094 Moscow SEGODNYA in Russian, 16 Jun 94, p 2

[Gleb Cherkasov report in the "Master" column: "Yuriy Luzhkov Wants to Extend the Life of the Voucher. And Calls on U.S. Businessmen To Be More 'Go-Go'"]

[Text] At a meeting with representatives of the American Chamber of Commerce in Russia, in Moscow, Yuriy Luzhkov expressed regret over the fact that the U.S. business community is pursuing an "overcautious" line in the sphere of joint cooperation and investments in Russia and Moscow. After enumerating a number of projects executed and in the process of being implemented by Moscow authorities with foreign (non-U.S.) companies, the Moscow mayor admitted the existence of problems both in the legislative sphere and in ensuring security for businessmen, and called on representatives of U.S. business circles to be more forthright in pointing out existing shortfalls to the Moscow authorities: "We cannot be reproached for not wanting to listen to foreign businessmen." Yuriy Luzhkov described as "absurd" rumors about Moscow city officials demanding bribes and payoffs from U.S. business people. Talking about the efforts by the Moscow authorities to create a favorable climate for foreign investments, the Moscow mayor spoke about deposit funds to ensure against "force majeur" circumstances. According to Yuriy Luzhkov, the services sector, tourism, and construction are the most promising areas for foreign investment in Moscow. In the construction sphere alone, according to Luzhkov, at least $2 billion worth of investments is needed annually.

Touching on problems of crime control, Yuriy Luzhkov admitted the complexity of the current situation, noting that in the past year the Moscow authorities have done their utmost to improve the situation. According to Luzhkov, work along these lines is under way, but additional legislative measures are called for. In this connection the Moscow mayor highly appraised the latest presidential crime control edict. Yuriy Luzhkov denied elite militia formations would be created to defend entrepreneurs.

On the issue of his disagreements with Vice Premier Chubays, Yuriy Luzhkov pointed out that the president's decision about privatization in Moscow is a triumph not for Luzhkov but for common sense. Accusing "democrat Chubays" of implementing "the worst possible communist principles," Luzhkov declared that "voucher" privatization has been a flop. At the same time the Moscow authorities intend to find ways to remedy the situation, in particular, according to the Moscow mayor, by insisting that the life of the privatization check be extended. Furthermore, the Moscow authorities plan "actively and expeditiously" to translate into reality their own model for the second stage of privatization the result of which will be the sell-off of property to "real masters" at realistic prices.

Joint Russian-U.S. Military Exercises Hit

PM1606161194 Moscow SOVETSKAYA ROSSIYA in Russian 16 Jun 94 p 2

[Report by Oleg Cherkovets: "U.S. Landing Force Rushes to Russia. If It Doesn't Work at the Center Then Try It at the Edge"]

[Text] No sooner had a report gone out in the mass media about a Russian military ship—the destroyer Neustrashimyy—taking part in joint naval maneuvers involving as many as 15(!) states in the southern part of the Baltic Sea (but against whom was the Neustrashimyy, together with seven NATO countries, going to maneuver, and into whom was it going to put fear in these parts?!), than new information of the same kind emerged. It turns out that joint exercises involving Russian and U.S. marines to "perfect rescue missions" are due to take place in the waters around Vladivostok.

Well, the Americans really want to step in their hobnail boots onto our soil! If you don't hit the bull's-eye in the center of Russia—the Totskiy training ground—then try at the edge. Never mind that it's 10,000 versts from Moscow, but what a place this is: It was a little less than 75 years ago that the Americans were chucked out of this very location, Maritime Kray, or were at least asked to leave, and now they will again be entering it, albeit only at its very edge. What a pleasure this is: To tweak the Russian bear's nose while the occupiers of the Kremlin are tying its paws behind its back.

What is significant is this. Citing AP, the MOSCOW TIMES newspaper reported that in the maneuvers a U.S. Navy ship should land 250 marines and 12 combat bridge vehicles. It has also been proposed to drop another 250 U.S. warriors with appropriate equipment on the Totskiy training ground in Orenburg Oblast. Does this mean that they want to insinuate by hook or by crook a strictly determined number of "bodies" with equipment into our land—in order to perfect a particular operation? What particular operation?

State Duma Chairman Meets Correspondents in Bonn

LD1606210894 Moscow ITAR-TASS in English 2049 GMT 16 Jun 94

[By ITAR-TASS correspondents Pavel Kuznestov, Gennadiy Kulbitskiy, Gennadiy Temnenkov]

[Text] Bonn June 16 TASS—Chairman of the Russian State Duma Ivan Rybkin who is on an official visit to Germany as the head of a delegation of the lower house of the Russian parliament, met with journalists in Bonn on Thursday.

"We have agreed with our German colleagues to develop close contacts between committees of the State Duma and the German Bundestag which deal with economic issues. I

believe that Bundestag's experience in this field will be of great interest for us, especially in matters concerning the economic boost on Germany's eastern lands," Rybkin said.

He pointed out that during his talks with German leaders on Thursday the sides touched upon problems faced by Germans residing in Russia and Russians in Germany. "We must do our best so that hundreds of thousands of these people could feel at home both in Russia and in Germany," Rybkin said.

Touching upon problems existing in Russo-German relations, Rybkin singled out the problem of mutual return of cultural values, removed from Russia and Germany as a result of the Second World War, as the most difficult one.

Asked about the interaction between the Russian president and the State Duma and the extent to which the lower house of the Russian parliament supports the course of reforms pursued by Boris Yeltsin, Rybkin said that "from the very first days of our existence we have been acting together with the president and shall continue to do so in future to find a way out of the quagmire of the crisis".

Meets With Germany's Weizsaecker

LD1606221094 Moscow ITAR-TASS World Service in Russian 1122 GMT 16 Jun 94

[By ITAR-TASS special correspondents Pavel Kuznetsov, Gennadiy Kulbitskiy, and Gennadiy Temnenkov]

[Text] Bonn, 16 Jun—After a meeting with the head of the German state, Ivan Rybkin, chairman of the State Duma, described German President Richard von Weizsaecker as "a major state figure to whose lot it fell to head Germany during the period of the reunification of its eastern and western lands."

Replying to a question from an ITAR-TASS correspondent, the speaker of the lower chamber of the Federal Assembly said that during the talks a wide range of political and economic issues connected with relations between the two countries were touched upon.

Rybkin said Weizsaecker showed great interest in the coming into being of the State Duma. In addition, they discussed in detail the economic processes that are under way in the Russian Federation and also the situation in the agro-industrial complex.

Ministry Denies Beloyarsk To Receive Fuel Rods From Germany

LD1706101594 Berlin DDP/ADN in German 0801 GMT 17 Jun 94

[Text] Moscow (DDP/ADN)—The Russian Nuclear Energy Ministry in Moscow has denied reports by the environmental organization Greenpeace that plutonium fuel rods from Germany are to be transported to the southern Urals for use at Beloyarsk nuclear power station. "We have no information confirming these reports," a spokesman for the ministry told DDP/ADN news agency today in response to a query. He pointed out that it is "technically extremely difficult" to use foreign fuel rods in Russian nuclear plants.

Greenpeace says 123 fuel rods originally intended for use in a fast breeder at Kalkar are to be "disposed of" in Beloyarsk. It said research conducted in the southern Urals reveals that an Essen- based operating firm, Schnell-Brueter-Kernkraftwerksgesellschaft (SBK), a subsidiary of RWE, wants to transport the fuel rods to Beloyarsk for use in the BN-600 breeder, which is regarded as unsafe. Greenpeace bases its report on comments by the chief engineer at the power station.

A malfunction at Beloyarsk in early May resulted in a fire in the plant's third reactor which took several hours to put out. Radioactivity did not escape.

The 123 fuel rods, which Greenpeace says contain 1.1 tonnes of plutonium, are currently being stored in a Siemens-owned bunker in Hanau under federal supervision.

Russia To Help Iran in Nuclear Power Station Construction

LD1706052594 Moscow ITAR-TASS World Service in Russian 1731 GMT 16 Jun 94

[By ITAR-TASS correspondent Oleg Kuzmin]

[Text] Tehran, 16 Jun—Russia will provide assistance in completing the construction of the nuclear power station near the town of Bushehr in the south of the country. At present Russian specialists are completing the technical research. It is expected the power station, which is to produce one seventh of Iran's demand in electricity, will be ready for operation in five years' time.

The construction of the nuclear power station was started in the seventies by two German companies, however it was stopped before the beginning of the Iran-Iraq war. The Iranian leadership wavered for a long time as to whether it would be expedient to complete the construction, but when Tehran decided in an affirmative way Germany abdicated its commitments because of fears that the nuclear program might acquire a military direction.

IAEA inspections to the Bushehr nuclear power station did not confirm the fears.

In addition to participating in the construction of the nuclear power station, Russia will receive a contract to build a gas-fired thermal power station in the same region. According to political observers, new Iranian-Russian relations in the field of power engineering will boost bilateral cooperation in the political and economic spheres and will also bring to Russia hard currency it so badly needs.

IL-76 Transports Leave for Africa To Aid Rwandan Refugees

LD1706084694 Moscow ITAR-TASS in English 0826 GMT 17 Jun 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow June 17 TASS—Two heavy transport planes IL-76 of the Russian Ministry for Emergencies departed from Moscow for Tanzania last night, ITAR-TASS learnt at the press service of the Ministry for Emergencies on Friday.

The cargo is accompanied by a Russian delegation led by First Deputy Minister for Civil Defence and Emergencies Yuriy Vorobyev.

The aim of the visit is a meeting with the Tanzanian leadership and the signing of documents on safe flights for planes belonging to the ministry. They operate in that country from May 20, bringing international humanitarian aid to Rwandan refugees.

The delegation will also conclude a contract with the agency of the U.N. High Commissioner for Refugees, under whose aegis Russian transport planes operate.

Two heavy-duty planes called "Ruslan" will fly to Africa on June 20. They will bring another 20 Kamaz lorries to Tanzania. Three Russian aviation groups will operate under the U.N. aegis.

PM1706111794 Moscow TRUD in Russian 17 Jun 94 night edition p 3

[Report by Vladimir Sarishvili under "In Nearby Foreign Countries" rubric: "Risk Is Too Great"]

[Text] Tbilisi—Let us omit the details of the story as a result of which your correspondent was the first Georgian journalist to get hold of a document sent from the Armenian Supreme Council and meant only for internal use in Georgia's supreme legislative organ. Sooner or later it would have become public property. We decided that sooner was better than later.

We know that, under a government edict [ukaz], recommissioning work has been under way at Metsamor AES [Nuclear Electric Power Station] for over a year now. Moreover, despite the recommendations of international organizations (the International Atomic Energy Agency, Framatome, and so on) it is envisaged that demothballing will be carried out within a compressed time scale. This was a forced decision, because Armenia has been facing an energy disaster for several years now, and the shipment of energy sources across Azerbaijani and Georgian territory has been made extremely difficult because of terrorist acts and the general unstable situation in the region. But the blood in our veins runs cold from the risk factors listed in the document.

The reactors at the Metsamor AES (of the water-cooled, water-moderated 440/230 type) are known for their imperfection and unreliability in operation. Furthermore, in the event of an accident there are no protection measures in the form of a containment vessel or underground drop-down mechanisms [mekhanizmy podzemnogo obrusheniya]. The problem of burying the radioactive waste remains an open one. Under the station there is a multi-level artesian well from which water is distributed throughout the region. Bearing in mind the current military situation in the region, the danger of terrorist acts is quite real.

The document, signed by S. Shaginyan, chairman of the Armenian commission for the protection of the environment and natural resources, says the following: "Total economic blockade has put Armenia under the threat of extinction.... Sensible warnings about the danger of starting up the AES receive no response. The situation has now gotten out of control, and the threat of an ecological explosion has become real."

In the light of all the aforementioned risk factors it becomes clear that starting up the AES cannot be considered Armenia's internal affair. Georgian ecologists are ready to sound the alarm. We possess another document, signed by Professor Tamaz Chelidze, director of the Georgian Academy of Sciences Geophysics Institute. It says that, according to a seismic zoning map in existence since 1989, the site of the Armenian AES falls into the category of a zone with a 9-point seismic risk. This figure speaks for itself. We can add to it that the AES is capable of meeting only 25 percent of Armenia's needs—and then only for electricity; other energy sources will still have to be imported. So it is not too clear whether starting it up is economically advantageous.

But something else is clear: When a baby dies from the cold in front of your eyes (and this has happened many times in both Armenia and Georgia), you will not only start up the AES but you will also open up a Pandora's box. But maybe there is still a chance to take safety measures?

Political Issues

Explosion Reported at Logovaz Bank in Moscow

LD1606134194 Moscow Russian Television Network in Russian 1200 GMT 16 Jun 94

[Text] Twenty minutes ago an explosion occurred in the building of the House of Actors in Staryy Arbat in Moscow. The premises of the Logovaz Bank were blown up. According to unconfirmed reports, there are casualities. Now our film crew is at the scene. You will see our reportage from the scene in the evening edition.

Bomber Arrested

LD1706090694 Moscow ITAR-TASS World Service in Russian 0834 GMT 17 Jun 94

[By ITAR-TASS correspondent Larisa Kislinskaya]

[Text] Moscow, 17 Jun—The criminal who on 16 June threw a homemade explosive device into the stairwell of the building on Molostovykh Street in Moscow which houses one of the sections of the Logovaz joint-stock company has been arrested. The ITAR-TASS correspondent was told by the Moscow city directorate of internal affairs that the man had admitted that that it had been a terrorist act directed against Logovaz.

According to updated reports, one female LogoVAZ employee suffered injuries.

ITAR-TASS Claims Grenade Thrown at Moscow Bank

LD1606142794 Moscow ITAR-TASS in English 1403 GMT 16 Jun 94

[By ITAR-TASS]

[Text] Moscow June 16 [TASS]—A grenade was thrown at the window of the "Obyedinyonny bank" (United Bank) of Moscow at four o'clock this afternoon [1200 GMT]. Preliminary reports state that some people have been injured by the resulting blast in the bank on Arbat street. In particular, one woman was cut by slivers of glass.

The Obyedinyonny Bank was registed by the Russian Federation Central Bank on January 2, 1992, and has a license to perform all banking operations on Russian territory and abroad.

The bank's 1993 turnover in roubles and foreign currency was reported to be 366.6 billion roubles (about 334 million U.S. dollars). The bank has correspondent accounts in Finland, Germany, Great Britain and Switzerland.

Misgivings Voiced at Anti-Crime Edict

PM1706095194 Moscow IZVESTIYA in Russian 16 Jun 94 pp 1, 2

[Article by Yuriy Feofanov: "Emergency Measures To Fight Crime Could Turn Into Arbitrary Action by Authorities"]

[Text] In all probability the Russian Federation president's Edict of 14 June "On Urgent Measures To Protect the Population From Gangsterism and Other Manifestations of Organized Crime" will get the approval of working people. For some reason I think that, had the edict talked of shooting gangsters on the spot without a trial or investigation, the approval would have been even more hearty.

True, the following question will remain open: Is it always the gangster who gets shot?

The state is entitled to take any number of strict measures to protect its citizens and public order from crime. In the United States they do not balk at sentencing minors to death. But over there a judge will free the most hardened criminal if the police violated the prescribed procedures when arresting him: If they entered an apartment without a warrant, bugged a telephone without authorization, or arrested and questioned him without an attorney. They are well aware that justice consists of procedures.

The president's edict does not correspond, to put it mildly, very much to these principles and norms. The craftiness of this act, equal in force to a law, is that it erodes the procedural guarantees which at least nominally guarantee our rights and freedoms.

We often hear and read that criminal proceedings have been instituted in a case or against a specific person suspected of a crime. Only after this are investigatory actions possible: seizures, searches, the confiscation of documents, detention, etc. Even justified suspicions must be procedurally recorded. This gives a citizen a guarantee from arbitrary action by administrative authority. By instituting criminal proceedings, by officially making accusation, the authorities put a person under the law's protection and give him the opportunity to resort to judicial control. The president's edict overturns all these guarantees. Of course, this is very convenient for the administrative authorities. In fact, an investigation can go on before criminal proceedings have been instituted. In the edict clear requirements of a procedural nature have been replaced by the empty words "by agreement with the prosecutor."

Yes, our business is to a considerable extent criminal; yes, many businessmen are associated with gangland and other criminal groupings. But there is also honest business. The edict hands it over to the full arbitrariness of repressive organs, which for some reason we call law-enforcement organs. Henceforth, under a law-enforcement official's directive it will be possible to violate a commercial secret, a secret regarding deposits, and the privileged nature of banking and financial documents—that is, everything which forms the basis of business. But is there confidence that the intrusion into business will be dictated by the interests of the fight against crime and not by a bribe from competing structures? Given the total corruptness of the apparatus? And then...how will the market be affected? Because it cannot get along with a repressive regime.

Section 3, Article 1 of the edict is particularly confusing. It is worded with a fair dose of jesuitic craftiness. The crux of

the matter is that people suspected of crimes who are going to be punished not under the criminal law but under this edict can be immediately arrested (detained) for 30 days. In the document the word "arrest" is neatly avoided: "a written undertaking not to leave, personal recognizance, recognizance of public associations, or a bond are not applicable." Of all the measures to secure a defendant's appearance, prison for a month is all that is left. Incidentally, the General Prosecutor's Office has been instructed to establish "constant oversight of the observance of legislation when this edict is being implemented." I wonder how it will be possible to exercise this oversight if one thing contradicts another? The document says nothing about an attorney's participation in the "edict procedure." Does it follow from this that his functions have been completely excluded? If so preliminary investigators and investigators are completely free to do as they please....

About 20 years ago the CPSU Central Committee, protecting the population from hooligans, also issued a directive authorizing arrest on the spot; at that time we wrote, thrilled by the authorities' decisiveness: "Let the ground burn under the feet of criminals." Now this has been repeated word for word by our capital's mayor. If we count back about 50-60 years we get to other laws and edicts: "Ten years apiece for gleaning ears of grain, into the dock for being late for work.

I repeat again. It is not the law's severity which is terrible. It is the rejection of law that is terrible. Of procedural law above all. Stalin's mass repressions began with the simplification of the judicial procedure for certain categories of cases, then trials were eliminated altogether, being replaced by two-man tribunals, three-man tribunals, and lists....

I am very frightened by the surge in gangland and any other crime; it has indeed exceeded all bounds. Yet the most terrible thing is legalized arbitrary action by the state. Here there cannot be any protection for anyone. We have already experienced this but we are trying to forget the experience, as though people in our country have not been tried under edicts which have supplanted laws, and under laws which have supplanted justice. If a gangster can be taken away without a trial and investigation today, they will surely come after an honest man tomorrow. There are no exceptions to this rule.

Edict on Government-President Coordination

PM1606145994 Moscow ROSSIYSKIYE VESTI in Russian 16 Jun 94 p 5

[Edict No. 1185 of the Russian Federation President "On Ensuring Interaction Between the Russian Federation President and the Russian Federation Government," dated 10 June 1994, The Kremlin, Moscow, and signed by Russian Federation President B. Yeltsin]

[Text] In order to ensure the realization of the constitutional powers of the Russian Federation president and Russian Federation Government until laws are adopted on the Russian Federation Government and on the federal organs of executive authority and also to ensure coordinated activity between the Russian Federation president and Russian Federation Government, I decree that:

1. The practice whereby the Russian Federation Government chairman keeps the Russian Federation president regularly informed of the work of the Russian Federation government is to be retained.

2. In accordance with the Social Accord Treaty, the making of plans for drafting work by the Russian Federation president and Russian Federation Government is to be carried out on a mutually agreed basis.

Drafts of the aforesaid plans on questions relating in accordance with parts 1-3 of Article 80, points "b" and "h" of Article 83, Article 88, points "a" and "b" of article 86, and point 1 of Article 87 of the Russian Federation Constitution to the powers of the Russian Federation president will be sent by the Russian Federation Government to the Russian Federation president for his agreement, and, on questions relating in accordance with Article 114 of the Russian Federation Constitution to the Russian Federation government's terms of reference, to the Russian Federation government for its agreement.

It is to be laid down that draft laws submitted by the Russian Federation president to the State Duma and concerning questions that relate to the Russian Federation Government's terms of reference and also requiring the Russian Federation Government's opinion, in accordance with part 3 of Article 104 of the Russian Federation Constitution, will go to the Russian Federation Government for its agreement (opinion) at least two weeks before they are submitted to the State Duma. Draft laws to be submitted to the State Duma by the Russian Federation Government and concerning questions that relate to the Russian Federation president's powers will go to the Russian Federation President's Staff for agreement also at least two weeks before they are submitted to the State Duma. The agreement and preparation of findings will take place within the space of two weeks.

3. It is to be laid down that draft decrees of the Russian Federation Government, the adoption of which is provided for in acts of the Russian Federation president, and also draft decisions examined at any Russian Federation Government session chaired by the Russian Federation president will go to the Russian Federation President's Staff for agreement.

Also to be sent to the Russian Federation President's Staff are draft decisions of the Russian Federation Government adopted within its terms of reference on questions of human and civil rights and freedoms; protection of the Russian Federation's sovereignty and its independence and state integrity; safeguarding of the coordinated functioning and interaction of organs of state authority; identification of the main spheres of domestic and foreign policy; leadership of foreign policy, and implementation of the functions of supreme commander in chief of the Russian Federation Armed Forces, which the Constitution regards as being in the president's bailiwick.

Coordination of draft decisions will take no more than 10 days.

Draft decisions of the Russian Federation Government on cadre matters relating to federal organs of executive authority subordinate to the Russian Federation president in accordance with the 10 January 1994 Edict No. 66 of the Russian Federation president "On the Structure of Federal Organs of Executive Authority" are to be agreed with the Council on Cadre Policy under the Russian Federation president.

4. It is to be laid down that the statutes on federal organs of executive authority subordinate to the the Russian Federation president are to be approved by the Russian Federation president. Staff numbers in these federal organs will be agreed with the Russian Federation Government in accordance with the procedure and time frame laid down by this edict.

5. The chief of the Russian Federation Government apparatus and the chief of the Russian Federation President's Staff will have the job of supervising the implementation of this edict.

Russian Federation President B. Yeltsin.
The Kremlin, Moscow, 10 June 1994.

Edict on Regional Representatives

PM1706100394 Moscow ROSSIYSKIYE VESTI in Russian 16 Jun 94 p 2

[Edict No. 1186 of the Russian Federation President "On the Powers of Representatives of the Russian Federation President in Russian Federation Components," dated Moscow, the Kremlin, 10 June 1994 and signed by Russian Federation President Boris Yeltsin]

[Text] In connection with the need to establish the status of representatives of the Russian Federation president in republics, krays, oblasts, cities of federal significance, the autonomous oblast, and autonomous okrugs, in accordance with the Russian Federation Constitution and on the basis of Article 83 of the Russian Federation Constitution, I decree that:

The Russian Federation president's representatives in the republics appointed at an earlier date under RSFSR presidential directive No. 34-rp "On Approving the Temporary Statute Regarding the RSFSR President's Representatives in Republics Within the RSFSR," and also the Russian Federation president's representatives in the krays, oblasts, cities of federal significance, the autonomous oblast, and autonomous okrugs appointed at an earlier date under Russian Federation presidential edict No. 186 "On the Russian Federation President's Representatives in Krays, Oblasts, the Autonomous Oblast, Autonomous Okrugs, and the Cities of Moscow and St. Petersburg" dated 5 February 1993 are to be regarded as plenipotentiary representatives of the Russian Federation president in the appropriate Russian Federation components.

[Signed] Russian Federation President B. Yeltsin

Moscow, the Kremlin
10 June 1994
No. 1186

Yeltsin To Aid Russians in Near-Abroad

MK1706061094 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jun 94 p 1

[INTERFAX report under the "In Brief" rubric: "Aid Program"]

[Text] Russian President Yeltsin is apparently to promulgate, before the end of June, a program of aid to Russians living in the states of "near-abroad." This is expected to take place during an official meeting in the Kremlin with representatives of power structures and public associations, Abdulakh Mikitayev, chairman of the commission on questions of citizenship under the Russian Federation president, has announced. The program, he said, would incorporate three edicts already drafted by the commission he heads. The principal edict is entitled "On the Concept of Russian Federation Policy in Regard to Fellow Countrymen Living Abroad." Mr. Mikitayev pointed out that a package of documents on a mechanism of putting the edicts into effect will be up for approval. The government is completing work on this package. The draft law "On the Concept," according to A. Mikitayev, proclaims Russia's initiative to formalize at an interstate level measures that would guarantee the observance of the rights of nonindigenous populations permanently resident in new independent states. The two other draft edicts envisage specific aid to retired servicemen resident in the Baltic states.

Chubays Says Democratic Choice To Nominate Yeltsin

LD1606122994 Moscow Ostankino Television First Channel Network in Russian 1747 GMT 15 Jun 94

[Interview with Vice Prime Minister Anatoliy Chubays by unidentified correspondent on the "Topical Interview" program in Moscow; date not given—recorded]

[Excerpts] [Correspondent] The words freedom, property, legality are written on the party's banner.

[Anatoliy Chubays] These words epitomize the essence of what the party sees as a goal for Russia as a whole and what the party has to offer as Russian values. [passage omitted on Chubays expanding on the importance of the above concepts]

[Correspondent] Anatoliy Borisovich, the party has changed its name from Russia's Choice to Russia's Democratic Choice....

[Chubays, interrupting] Yes, there were long and heated debates about the name. As a result, I believe a very correct version was chosen. Many people said that we should not do that because the word democratic had lost its attractiveness, and many people did not respond to it any longer. But I agree with those who argued that we should not try to recruit supporters from among those who are not our supporters. We have a position and a policy and our own

view of things which we offer to anyone who is ready to listen to it. Yes, we support the democratic choice. We supported it when it was popular and continue to do so after it has lost its popularity, perhaps. Generally speaking, a true politician should not seek popularity, but popularity should find its politician, the one who does not change his position even in difficult conditions. That is why the new name Russia's Democratic Choice appeared.

[Correspondent] Upon whom do you rely most?

[Chubays] A report at the party congress [held 12-13 June] was devoted to just this question. We were told about a large-scale sociological study of those who voted for the Russia's Choice, that is, those upon whom we rely. What transpired was that if a general image of supporters of the Russia's Choice were drawn, it would show an educated person, though not necessarily a doctor or candidate of sciences. It could be a well-trained worker, or engineering and technical personnel, aged 25 to 45-50, as a rule. This person understands that the country and the economy are in a difficult situation; nevertheless, he does not think that everything has collapsed catastrophically, that life is over, and that the only thing to do is to commit suicide. This person is inclined to believe in himself, in his own capabilities, and has certain grounds for this, like education, positive thinking, and so on. In other words, this is the strata that has saved Russia and our economy through its work. So this sociological study we were told about is very encouraging. It shows that the party relies upon the people to whom the future belongs.

[Correspondent] Why should a vice premier, who has problems up to his ears, want to deal with party affairs?

[Chubays] I will not hide that I was a little sceptical, especially looking at our numerous parties, which are mushrooming and disappearing without having really changed anything. I will tell you frankly that the congress itself, the people who gathered and the serious, substantial, and committed way the congress' real work was done had a very strong effect on me. There were fears that it could turn into some kind of democratic tea party, with senseless discussions of procedural matters, like why Article Five or Six of the Charter uses a comma instead of an and or why this wording was chosen over another. However, it turned out that the overwhelming majority of the people who gathered at the congress and who devoted themselves to the cause are people who understand very well what is really important and significant, people who are ready to devote themselves to this work. Being fully aware that, on the whole, this work is unlikely to be a bed of roses, and many can even expect to be hurt because many of them have difficult relations with local authorities, people came, nevertheless, and people are and will be working. They have already had the experience of last October and March 1993 and many other events which they have lived through in Russia where they work and live. Looking at these people, one understands that this is not empty talk, not a ticket to an ego trip, but a real cause which requires real strength and work. That is why I worked, work now, and will continue this work despite all my government duties.

[Correspondent] When do you think a breakthrough will come and in what shape? When will the country see a better life?

[Chubays] Naturally we discussed this issue. I must say, though, that the congress discussed such noneconomic issues as military reform, relations with CIS countries, the countryside—a lot of attention was paid to this. As regards your question, there is the following view: If the policy that is being implemented in Russia today, the government's and the president's policy, retains a reformist component of the kind represented by the latest package of presidential decrees, experts from the Russia's Choice believe that there is quite a real possibility that 1994 can become a year of stabilization and 1995 can become a year when the Russian economy starts overcoming the crisis.

[Correspondent] What other steps should be taken to make reforms irreversible and then to bring if not prosperity then at least a certain amount of well being the shortest possible way?

[Chubays] A lot has to be done. First, the legislative base of reforms is still very inadequate, that is, the very word, legality, we mentioned earlier. Today, unfortunately, the largest part of economic foundation is made up of presidential edicts, not laws. After six months of work the Duma can scarcely credit itself with any major legislative decisions. But this is very important because law is a kind of stable long-term foundation on which stable economic relations, stable investments, and so on can be built.

[Correspondent] Does the president support you?

[Chubays] One must mention that Yegor Gaydar has discussed with the president more than once our work within the framework of Russia's Choice. The president supports our activity, and the party supports a reformist president, something that was stated officially at a news conference. I am convinced that if Boris Nikolayevich Yeltsin is a candidate in the 1996 presidential elections, Russia's Democratic Choice will be a party which will unequivocally support Yeltsin's candidature.

[Correspondent] Are you going to nominate a candidate of your own?

[Chubays] But Boris Nikolayevich Yeltsin is our candidate.

Economic Issues

'Jittery' Cabinet Session Discusses Economy

MK1706085094 Moscow KOMMERSANT-DAILY in Russian 17 Jun 94 pp 1, 3

[Report by Vladislav Borodulin in the "Russian Government Session" column incorporating commentary by the economic policy department: "The Premier Has Called on the Government to Work with Its Head, Not Its Feet"]

[Text] A feature of yesterday's session of the Russian Government was its extremely jittery atmosphere. Calls from some ministers to keep calm gave way to apocalyptic

predictions by others. At times presentations turned into a bitter squabble. Meanwhile the premier, who had just returned from leave, appealed to his subordinates to put first the interests of Russia, not their departments. Government "back-benchers"—apparatus officers—tired by the stuffiness of an overcrowded room, did not particularly try to fight off an overpowering drowsiness.

The reason for this situation, generally uncharacteristic of the Viktor Chernomyrdin cabinet, was the issue discussed at the session. Putting aside all other items on the agenda, the participants concentrated on summing up the results of the first half-year. Strictly speaking, there was no particular need for a report by First Deputy Economics Minister Yakov Urinson: Exactly a week ago the government examined the economic situation. However, having returned from his leave, the premier decided to familiarize himself with the situation.

According to Urinson, the industrial recession has reached 26 percent in the first six months of this year, nearly halving compared to 1991. An analysis of the decline pattern done by the Economics Ministry for the first time is noteworthy. Ministry experts attributed 35 percent of this slump to cuts in military spending; another 15 percent, to cuts in budget investments; 10 percent is linked to falling demand for oil in the CIS countries (caused by high prices), and 10 percent is due to declining effective demand among the Russian population. The remaining 30 percent has been caused "by the effects of market mechanisms, poor adaptability among enterprise managers, and the breakdown of economic links."

The gist of the conclusions made by ministry experts is this: A basically new economic situation has emerged in Russia. Its signs include the weakening of nonmarket factors and the effects of demand constraints, which has brought about a sales crisis. Urinson stopped short of calling this state depression.

There is no particular point in recounting the content of subsequent reports by sector ministers: a standard (with rare exceptions) set of excuses and a minimum of sensible propositions. Viktor Chernomyrdin's reaction to these presentations surprised even the veterans of the government apparatus. One of them recalled Aleksey Kosygin, usually a very discreet premier in the USSR Government, who yelled at his subordinates only once: When he lost patience with immoderate sectoral claims by then ministers and their total disregard for state interests.

Viktor Chernomyrdin yesterday chose a similar vocabulary and tonality. "We shall not give anything to anyone for free"; "ministries must reflect the interests of the entire state, not just of their own enterprises"; and "we will not be bossed around by anybody" are quite happy expressions of gratitude to the president for his determination "not to ditch Chernomyrdin."

The premier also reacted to the president's criticism of the government's performance. "Well, enough is enough; we shall not put up with this any more" and "I shall have enough political will for everything"—these words are apparently to be one of the last warnings to the sluggish intermediary government level. True, weekly public sermons to subordinates have now been practiced for more than a month.

Commentary

The draft presidential edict "On Amendments to the Russian Federation President's 23 May 1994 Edict No. 1004 On Certain Questions of Tax Policy", moved by the Russian Social Insurance Fund for government consideration, was taken off the agenda at the very beginning of the session. The draft envisioned revoking instructions to the government to submit to the State Duma a draft law on reducing the rate of payments to the social insurance fund to 3.6 percent from 5.4 percent. Apparently, serious substantiation will be needed to encourage the president to cancel one of his proposals to alleviate the tax burden. So far the fund's case boils down to a shortage of funds: Revenues in the second half will fall by 2 trillion rubles, as a result of which the fund will not have enough money to pay even the benefits stipulated by the law. True, temporary disability allowances, for example, are paid out of the fund's money held in enterprise accounts. If the fund's figures are correct, this will primarily affect the poor, who get their benefits through social security bodies, which is promises an aggravation of social tension.

The fact that the draft edict was taken off the agenda does not mean anything: Even if the government insists on reducing the rate, the same can hardly be expected from the State Duma.

Meanwhile, unless the Duma remembers, in the very near future, about the need to establish a new rate for contributions to nonbudget funds (or extend the old one), beginning with 1 July they may not be paid at all.

Main macroeconomic indicators in the first half of 1994

Gross domestic product in current prices will total 248 trillion rubles. At constant prices GDP will fall by 18 percent compared to the same period last year.

The volume of industrial output will decline by 26 percent compared to the first half of 1993.

Exports will grow by 3.6 percent, reaching $20 billion. Imports will grow by 18 percent to approximately $15 billion. The balance of trade will be $5 billion (a fall of 24 percent).

The exhange rate of the national currency will fall by 60 percent compared to December 1993, exceeding 2,000 rubles per $1. The purchasing power of the ruble, compared to the dollar, will increase by 18 percent.

Real estimated monetary incomes will grow by 14 percent.

The number of officially registered unemployed is estimated at 1.4 million, which is 0.6 million people more than at the beginning of the year.

Chernomyrdin Doubts Economic Figures

LD1606170494 Moscow NTV in Russian 1500 GMT 16 Jun 94

[Video report by correspondent Aleksandr Shashkov]

[Text] Russian Prime Minister Viktor Chernomyrdin, opening today's Russian government session, was strict as usual. He began by removing two questions from the agenda since Cabinet members had not had time to acquaint themselves with them, and by recognizing as correct the criticism of the government expressed by the president at a news conference.

The report by the deputy minister of economics on the preliminary results of the first six months of this year bristled with figures. On the basis of them, Yakov Urinson drew the conclusion that the government program for stabilizing the situation in the economy is beginning to bring real positive results, and that any talk of the collapse of the economy or of it being on the brink of collapse is groundless.

Without denying the claims of the Economics Ministry, Viktor Chernomyrdin nevertheless cast doubt on the figures on which they are based. As it turned out, statistics today follow the imprecision of the statistics of the Soviet Union, with the difference that if previously the indices received by the State Committee for Statistics were exaggerated in the name of the transient red banner, then now they are underestimated in order to avoid taxes, which also confirms the movement of the economy toward market relations.

Banks Ask Foreign Partners for 'Moratorium'

MK1706063094 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jun 94 p 1

[Sergey Rybak report under the "In Brief" rubric: "Russian Banks Ask for Respite"]

[Text] The Association of Russian Banks [ARB], in the person of its president Mr. Yegorov, at a news briefing yesterday, asked their foreign partners to call a moratorium on their activities in Russia until 1 January 1996, the date determined by the presidential edict of 23 November 1993. This request is motivated by the inability of 75 percent of newly formed Russian commercial banks to compete owing mainly to the generally low qualification of their staffs. At the same time Mr. Yegorov noted the need for all-out support for banks with mixed capital. The ARB president made his statement in the presence of the heads of Moscow City's major banks "Stolichnyy," "Menatep," and "Mostbank."

Edict on Improving Banking System

PM1506121594 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 4

[Edict No. 1184 of the Russian Federation president "On Improving the Work of the Russian Federation Banking System"]

[Text] With a view to curbing inflation and enhancing the efficiency of the work of the banking system and protecting bank investors' interests I decree:

1. That it be recommended to the Central Bank of the Russian Federation that it:

—step up supervision of the activity of commercial banks and credit institutions, ensuring that comprehensive checks on their activity are carried out at least once every two years;

—in conjunction with interested organizations elaborate within three months and submit to the Russian Federation Government proposals for the development of consumer credit.

2. That to ensure the protection of the savings of Russian Federation citizens, the Central Bank of the Russian Federation accelerate the creation of the federal fund for insuring the assets of Russian Federation banking institutions which attract the money of Russian Federation citizens.

It must be established that in cases envisaged by Russian Federation legislation the safekeeping of deposits can be guaranteed by the state using money from the federal fund for insuring the assets of Russian Federation banking institutions which attract the money of Russian Federation citizens.

3. That the Central Bank of the Russian Federation ensure that its representatives and auditors take part in the work of liquidation commissions when liquidating commercial banks, including for insolvency (bankruptcy).

4. That it be deemed expedient to continue until the adoption of new banking legislation to ensure the mutual representation of the Russian Federation Government and the Central Bank of the Russian Federation with a view to implementing coordinated measures to conduct credit and monetary policy.

That it be established that:

The chairman of the Central Bank of the Russian Federation takes part in sessions of the Russian Federation Government;

The Russian Federation minister of finances and the Russian Federation minister of the economy take part in sessions of the council of directors of the Central Bank of the Russian Federation.

The Russian Federation Government and the Central Bank of the Russian Federation must submit for approval within two weeks a proposal on the procedure for implementing mutual representation.

5. That it be deemed intolerable for the organs of state power of the Russian Federation components to adopt legislative acts and carry out actions which violate the unity of the Central Bank of the Russian Federation's system, proceeding from the premise that the Central Bank of the Russian Federation is a federal bank and the regulation of its activity in accordance with the Russian

Federation Constitution comes within the exclusive competence of the federal organs of state power.

6. That it be established that the restrictions envisaged by point 1 of the Russian Federation president's 17 November 1993 Edict No. 1924 "On the Activity of Foreign Banks and Joint Banks with the Participation of Funds Belonging to Nonresidents on Russian Federation Territory" do not extend to: operations with people who are residents under Russian Federation legislation indicated in licenses issued by the Central Bank of the Russian Federation before publication of this edict to foreign banks and joint banks with the participation of funds belonging to nonresidents; or with banks established on Russian Federation territory which are from countries in the Russian Federation's relations with whom agreements on the encouragement and protection of capital investments that have come into force are applied.

That there shall be agreement with the Central Bank of the Russian Federation's proposal for the issue of licenses for the improvement of banking operations for foreign banks and joint banks with the participation of funds belonging to nonresidents on Russian Federation territory on condition that the relevant states observe the principle of reciprocity with regard to Russian banks which open branches, offices, daughter companies, and joint institutions abroad.

7. That this edict enters into force from the moment it is published.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 10 June 1994.

Edict on Stimulating Investment Activity

PM1606125194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 4

[Russian Federation President's Edict No. 1199 "On Some Measures To Stimulate Investment Activity Including Activity Involving the Enlistment of Foreign Credits"]

[Text] With a view to developing national industry and supporting enterprises' investment activity I decree:

1. That it be established that enterprises, institutions, and organizations which import onto Russian Federation territory equipment, machinery, and mechanisms (except for those liable to excise duty) intended for the production development of enterprises, institutions, and organizations under contracts concluded before 1 January 1993 and registered within the established procedure are exempt in 1994 from the payment of value-added tax or the special tax for the maintenance of the most important sectors of the national economy.

Sums paid before the adoption of this edict in value-added tax and special tax are subject to reimbursement to enterprises, institutions, and organizations within the procedure established by point 16 of the Russian Federation president's 22 December 1993 Edict No. 2270.

2. That it be established that value-added tax and the special tax for the maintenance of the most important sectors of the national economy are not levied when goods (except for goods liable to excise duty) are imported onto the territory of the Russian Federation within the framework of the use of credits supplied to the Russian Federation by the governments of foreign states and international finance organizations or of goods (except for goods liable to excise duty) imported to pay off state credits supplied to foreign states by the former USSR and by the Russian Federation.

3. That the Russian Federation Government submit for examination by the Russian Federation Federal Assembly the drafts of legislative acts stemming from the clauses of this edict.

4. This edict enters into force from the moment it is published.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 10 June 1994.

Economist Predicts Increased Inflation

MK1606110094 Moscow SEGODNYA in Russian 16 Jun 94 p 2

[Report by Mikhail Lantsman under the "Reform" rubric: "Machine Builders Press for Pro-Inflation Measures To Save Them From Structural Reform"]

[Text] According to the forecasts of the Russian Federation Government Working Center for Economic Reforms, the tendency for inflation to stabilize at 8 percent of GDP will persist no longer than 1.5 or 2 months. In midsummer the government is "sure to take a series of pro-inflation measures to rescue the country's machine building industry." This was announced by Sergey Pavlenko, head of the Working Center, at a press conference at the Radisson Slavyanskaya Hotel.

In addition to the supposed government measures, some other factors too point to increased inflation, Pavlenko said. For example, cash emission went up by a factor of 2.5 or 3 in April. Nevertheless, the three-month financial stabilization yielded indisputably positive results. First and foremost it gave the population an opportunity to adapt to economic change. A normal reaction by citizens can be seen in the growing sums in savings accounts, control of which is confidently switching from the Russian Federation Savings Bank to commercial banks (the Savings Bank share has fallen to 50 percent). The population's trust in the government's financial policy can also be seen, according to Mr. Pavlenko, in the lower proportion of hard currency savings. According to Sergey Vasilyev's [as published] forecast, if the existing draft budget is adopted for implementation the population will continue to have faith in the financial policy of the state and the future inflationary surge will not exceed the 10 percent of GDP ceiling planned for the year's end.

Assessing the aftermath of the production crisis in Russia, Mr. Pavlenko pointed out that, despite the psychological

shock the government experienced at the absolute figures for the production decline in January, the crisis reflects what is now a definite pattern—a decrease at the start of the year, some recovery of production in May through June, another decline in the fall, and a rise toward the year's end. Today, according to the Working Center, there is a slight recovery in the fuel and energy complex, in ferrous and nonferrous metallurgy, and in some sectors geared to the consumer market. The steady negative indicators in machine building are natural and point to the need for structural reform. The important thing, the Working Center experts think, is for Chernomyrdin's cabinet not to panic.

Analyzing the current state of the Russian economy, Professor Richard Layard of the London School of Economics, who is in charge of a group of foreign advisers at the Working Center, pointed out that the main problem with the state budget is insufficient tax revenue. Budget revenue in the first quarter of the current year was 36 percent of the planned level. Assessing the real consumption figures, Mr. Layard said there is insufficient official information. According to the method used by the State Committee for Statistics (real incomes minus real savings), social consumption has grown 11 percent. If you rely on the results of a households study, the figure will be 18 percent in the first quarter of the year.

Analyzing the labor market, Mr. Layard stated that Russia has discovered a unique method of regulating unemployment. Open unemployment has not grown more than 1 percent this year. The main levers to regulate it are the great differentiation of wages in various sectors and methods of latent unemployment (enforced vacations and shorter workweeks). In the first quarter shorter workdays affected 2 percent of people in employment, and enforced vacations affected 4.4 percent. As little as 1.5 percent were affected by personnel reductions out of 25 percent of the total number employed in production. During the same period, the number of people hired for jobs amounted to 21 percent of number already in employment. For the time being enterprises are managing to preserve jobs by cutting wages. But this tendency, Mr. Layard thinks, will not last long. Then open unemployment will grow, but it will be lower than in the Eastern European countries, the English professor hopes.

Military & Nuclear Issues

Kolesnikov on Current Army Manning Levels

PM1706092394 Moscow IZVESTIYA in Russian 17 Jun 94 p 2

[Report by Nikolay Burbyga incorporating interview with Colonel General Mikhail Kolesnikov, chief of Russian Armed Forces General Staff; place and date not given: "So Just How Big Is Russia's Military?"]

[Text] According to Defense Ministry data appearing in the press, the Russian Army now has 2 million men. On 15 June, however, during a meeting with the leaders of Amur Oblast, President B. Yeltsin gave a different figure. Speaking about the reform of the Army, he declared that its strategic goal is a reduction from 3 million to 1.5 million men.

So just how many men are serving in the Russian Army, and what is its authorized strength? In order to answer these questions, we turned to the Ministry of Defense for an explanation.

It turned out that the ministry itself had not prepared or passed to the president any data on the size of the Armed Forces during these days. In the opinion of the military, the discrepancy in the figures which the president has now given and which the Defense Ministry has announced at various times arose because account is not always taken, when talking of the Army's quantitative composition, of the fact that numerical strength is subdivided into authorized strength (the number of posts provided for by the prescribed strength level) and actual strength (the number of servicemen actually fulfilling duties). At the same time the authorized and actual strengths change constantly. For example, as of 1 May 1992 the prescribed strength level stood at 2.8 million servicemen, and the roster at just over 2 million. The difference between the prescribed strength level and the actual strength constituted the degree of undermanning.

In the opinion of Colonel General Mikhail Kolesnikov, chief of the Russian Armed Forces General Staff, when speaking in Amur Oblast the president might have had in mind all those who wear military uniform in Russia. But these are servicemen not only of the Defense Ministry but also of other ministries and departments.

"In particular," M. Kolesnikov continued, "there are the border troops, who number 50,000 men, the internal troops with 350,000 men, and the railroad troops with 70,000. The Ministry of Communications, the Dalstroy [expansion unknown], and the Moscow Special Construction Trust have their own military subunits. In all, approximately 800,000 men in addition to the Defense Ministry. If you add this number to our composition, you will get a total of almost 3 million."

[Burbyga] What is the specific strength of the Armed Forces as of 16 June?

[Kolesnikov] We have reduced them by 700,000 in the course of two years. The authorized strength today is 2.002 million men. But the actual strength is considerably less.

[Burbyga] How many of them are generals? The largest number in the world, so the newspapers write?

[Kolesnikov] I would not dramatize this question. Speaking of the world, we hold the "golden" mean, as it were. For comparison: We have twice as many generals per serviceman as the United States and China, but half the number of Britain and France. We have provided for a significant reduction in generals' posts. Whereas there were 4,343 of them in 1989, 2,070 are now left. A reduction to 1,780 is envisaged in the long term.

[Burbyga] The Army is frequently rebuked for reforming itself only slowly. Can the Armed Forces be reduced more quickly?

[Kolesnikov] Reform is primarily the business and concern of the state and the executive, not of the Army itself. We can take the role of experts and executors. For some reason the reform has been entrusted to us today. But all the executive's attention to the reforms is limited to the following demand: Carry out reduction more quickly.... But the Army needs considerable funds to carry out the reform, and we do not have them. It is a paradox, but it is more advantageous to us to transfer an officer to the reserve than to discharge him. This is because, before discharging an officer, it is necessary to pay him a posting allowance, to provide him with housing.... Otherwise there could be a sharp increase in social tension in society.

[Burbyga] It was reported recently that 25-30 people in the Army die every day for one reason or another. Is this so?

[Kolesnikov] There are people who have made themselves a career out of speculating with such figures. But the reality is that an average of three or four people die in the Army every day for various reasons. There are road transport accidents, injuries, suicides.... In 1992 1,746 servicemen died, in 1993 1,359, and this year 417. We deeply regret every loss and death and endeavor to take all measures to avoid tragedies.

[Burbyga] A final question: How is your relationship with Army General Pavel Grachev, minister of defense? There are many contradictory rumors about this.

[Kolesnikov] I will say bluntly that I cannot count myself among the minister's personal friends. But we have a good working relationship. The first report to the minister every day is mine. I give him personally the most important documents. He signs the overwhelming majority of them. This attests to his trust both in me and in the General Staff.

Atomic Energy Minister: West Trying to Discredit Russia

LD1606120094 Moscow INTERFAX in English 1037 GMT 16 Jun 94

[Text] Reports about the outflow of nuclear materials from Russia have the sole goal of proving that the presence of nuclear weapons in Russia is dangerous to the world community and that Russia should be relieved of this burden, Russia's First Deputy Minister for Atomic Energy Lev Ryabev told INTERFAX.

These reports also reflect the ongoing struggle for the markets of nuclear expertise, he said. Some western countries have concentrated their attention on the traditionally Russian markets and are trying to discredit Russian science and industrial and nuclear potential.

He said that out of the 10 cases of theft of nuclear materials over the past 18 months, nine involved depleted uranium-238 which cannot be used for making a nuclear bomb.

He announced that highly enriched uranium-235 was stolen only once at the research center Luch in a Moscow suburb, when one staff member managed to steal about one and a half kilograms of this material.

"But even this amount is insufficient for making a bomb," said Ryabev. No other instances of theft of nuclear materials which can be used in nuclear weapons have been registered, he said.

Black Sea Fleet in Peacekeeping Operation in Abkhazia

LD1706100694 Moscow ITAR-TASS World Service in Russian 0920 GMT 17 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow, 17 June—A naval detachment of the Black Sea Fleet has today begun practicing joint tasks with the Russian group of troops in western Georgia. It will take part in the peacekeeping operation to stabilize the situation in this region, ITAR-TASS was told at the Fleet's press center. Rear Admiral Yuriy Chichik, head of the Black Sea Fleet command center, will be in command of the operation.

According to the press center's information, a naval detachment of the Black Sea Fleet, with the large antisubmarine vessel Kerch as flagship, has left for the Greek island of Corfu tasked with preparing for the Russian president's visit. The detachment is under command of Rear Admiral Anatoliy Manchenko, first deputy head of Fleet Headquarters.

Admiral: Personnel Disapprove of Black Sea Fleet Division

LD1706114194 Moscow INTERFAX in English 0956 GMT 17 Jun 94

[Text] Most Black Sea Navy personnel disapprove plans to divide the fleet, a Naval Commander Aleksandr Penkin said in an interview with INTERFAX.

"The Fleet must be single, powerful, and battleworthy. It is in the common interests of Russia and Ukraine—two great brotherly Slavic nations—to secure the southern sea frontiers," Rear Admiral Aleksandr Penkin remarked and added that the Black Sea Navy Command was always prepared for constructive dialogue and smooth civilized ties with its Ukrainian counterpart.

If Ukraine takes over more than 160 ships through navy division, there will not be anyone to serve aboard the vessels since "the overwhelming majority of commissioned and noncommissioned officers in the Black Sea Navy are unwilling to join the Ukrainian Armed Forces."

Penkin suggested that there would also be problems for the Russian crews if the seamen who have sworn allegiance to Ukraine leave. He said that at the moment the navy is made up of an equal number of Ukrainians and Russians—about 15,000 men on each side.

Penkin runs for the office of Chairman of Sevastopol's City Council from the Black Sea Fleet and the Sevastopol-Russia electoral bloc.

Local and presidential elections in Ukraine will take place on June 26.

Anti-Submarine Ship Launched 15 Jun

LD1606125894 Moscow INTERFAX in English 1037 GMT 16 Jun 94

[Text] The anti-submarine ship Admiral Chabanenko was launched on Wednesday evening at the Yantar ship building works in the Kaliningrad Region.

The Baltic Fleet press center announced to Interfax that the ship had been constructed with utilization of high technologies. It can carry out any tasks in any places of the world ocean.

Completion of the work will take about two years. Afterwards, the crew will start carrying out military tasks.

Baltic Fleet Commander, Admiral Vladimir Yegorov said that this was a precious gift on the eve of the 300-year anniversary of the Russian Navy.

Expedition to Sunken Komsomolets Sub Starts 16 Jun

PM1706084394 Moscow KRASNAYA ZVEZDA in Russian 16 Jun 94 p 1

[Report from Own Information-RIA Column: "By Mir to the Komsomolets"]

[Text] Kaliningrad—On board the scientific research ship Akademik Mstislav Keldysh in the Norwegian Sea the preparations for the fourth international expedition to the Komsomolets nuclear submarine have been completed. The ship has Mir apparatuses aboard, which will enable the research staff to reach a depth of 6,000 meters.

"The expedition is beginning on 16 June and will take two months. Our main task is to obtain new data on the present condition of the submarine, guarantee its safety in terms of radioactivity, and install new one-year observation stations," Oleg Kuznetsov, the expedition's deputy chief, said.

Federal Assembly

Yeltsin Directive on Legislative Process Backup

PM1606131994 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 4

[Russian Federation President's Directive No. 279-rp]

[Text] With a view to creating the necessary conditions for information analysis backup for the legislative process:

1. There shall be support for the proposal of the chairmen of the Federal Assembly chambers on the transfer of functions to do with the management of the Russian Federation parliamentary center to the Federal Assembly chambers.

2. The Russian Federation president's administration of affairs shall:

—implement within the established procedure financial and material and technical backup for the activity of the Russian Federation parliamentary center and also socio-consumer services for its workers;

—ensure, in accordance with existing legislation, the payment of wages and other payments to workers of the Russian Federation parliamentary center for the period from 13 December 1993 through the moment the functions to do with the management of the parliamentary center are transferred to the Federal Assembly chambers.

3. The Russian Federation parliamentary center shall be accommodated in Moscow, at number 2 Tsvetnyy Boulevard.

[signed] Russian Federation President B. Yeltsin, 6 June 1994.

Yeltsin Directive on State Duma Residence

PM1606134194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 4

[Russian Federation President's Directive No. 280-rp]

[Text] With a view to completing the accommodation of the Russian Federation State Duma in the official residence determined by the Russian Federation president's 18 February 1994 edict no. 334 "on the accommodation of the Russian Federation State Duma;"

1. The building at block 2, number 4, Vilgelm Pik Street, Moscow, shall be assigned as the place for the accommodation of the Moscow Federation of Trade Unions and the Moscow Oblast Council of Trade Unions.

The Russian State Committee for the Administration of State Property and the Moscow Government shall within two months ensure within the established procedure the accommodation of the Moscow Federation of Trade Unions and the Moscow Oblast Council of Trade Unions in the building at this address.

2. The Moscow Government and the Russian Federation president's administration of affairs shall be ensured within three days the temporary accommodation of the Moscow Federation of Trade Unions and the Moscow Oblast Council of Trade Unions in the building at number 36 Novyy Arbat Street, Moscow.

[signed] Russian Federation President B. Yeltsin 6 June 1994.

Committee Chief: Crime Edict Violates Constitution

MK1606082594 Moscow PRAVDA in Russian 16 Jun 94 p 1

[Report by Valentina Nikiforova and Pavel Filippov: "In Circumvention of the Constitution. The Presidential Edict Is More Ado About Crime"]

[Excerpts] On 14 June President Boris Yeltsin signed an edict "On Urgent Measures to Protect the Population Against Gangsterism and Other Manifestations of Organized Crime." It talks in particular about enacting a system of urgent measures to combat it. Primarily total—including criminal prosecution—investigation not only of suspects but also their relatives, friends, and other individuals and corporate entities. [passage omitted]

Here is how the edict was assessed by Duma Security Committee Chairman Viktor Ilyukhin:

"The first impression: The mere fact of signing such an edict is a gross violation of the Constitution, a departure from criminal law procedures and substantive criminal law norms, and a violation of human rights and freedoms. The president has once again shown that he has not observed and is not going to observe the Constitution—even the one that he drafted and spent enormous efforts to have approved.

"Second: Under normal conditions this regime cannot function or stand up to crime. In the end, nothing prevented the president from inviting the Duma to draft and approve a law to fight crime. And the situation would have changed drastically. In that event this struggle would be based on a clear-cut legal foundation. But no matter what may be said in presidential and government structures, there have been no results. And the edict is just a warning to criminals: Be more careful."

Security Committee Says Edict Unconstitutional

LD1606174494 Moscow Radio Rossii Network in Russian 1600 GMT 16 Jun 94

[Text] The State Duma's Security Committee has unanimously described the Russian president's edict on urgent measures to protect the population from gangsterism and other manifestations of organized crime as contradicting the Constitution and existing legislation. This was stated on Thursday in an interview to Interfax by Viktor Ilyukhin. He noted that this fact was reflected in the State Duma's decision, which had been prepared on this matter.

The lower chamber plans to discuss the president's edict at a plenary meeting on Friday 17 June. Ilyukhin stressed that in conditions when the Constitutional Court is temporarily not operating, only the president can halt the operation of the edict. A recommendation to Boris Yeltsin to do this is also set out in the draft State Duma decision.

Deputy Deplores Flouting of Constitution, Laws

PM1706101994 Moscow IZVESTIYA in Russian 15 Jun 94 p 2

[Commentary by State Duma Deputy Boris Fedorov: "What Kind of State in Sovereign Russia?"]

[Text] During the celebration of Russia's sovereignty I have become extremely alarmed by the increasingly deep-rooted trend in our country of using the slogan of the state's interests to adopt decisions which are contrary to the laws and common sense.

In parliament there is an increasingly widespread idea that it would be no bad thing if deputies were to extend their own powers and perhaps those of other institutions of authority.

The Federation Council is examining questions which it has no right to examine and is trying to give advice cum injunctions to the State Duma (just try to imagine that sort of thing happening in relations between the Senate and the Congress or the House of Lords and the House of Commons!).

Many questions that fall within the competence of parliament are being decided by decrees and edicts.

A vast number of laws, edicts, and decrees are being implemented only partly or not at all.

The components of the Federation are adopting laws which conflict directly with the laws of the Russian Federation and sometimes conclude what are, to put it mildly, bizarre agreements with the "center."

What is there in common between all these and many other facts from our life? It is the fact that in all these cases the laws are being violated but everyone is pretending that nothing has happened and that nothing special is going on. But everyone is sitting in his own corner demanding benefits, subsidies, and aid for himself, his region, or his enterprise. And no one gives a damn for Russia.

The impression is being created that there are no citizens of Russia, there are only citizens of the military-industrial complex, the agro-industrial complex, Metrovagonmash [plant building subway cars], and the like. No one particularly wants a conflict: The protection of Russia from collapse in the direct and indeed any other sense of the word is not a topical issue.

At the time of the collapse of communism and the USSR there was much talk about the creation of a rule-of-law state and the final departure from the arbitrary rule and lawlessness which existed for decades.

Today, however, neither the democrats nor the lawyers say a word when the laws, beginning with the Constitution, are broken. No one is particularly bothered. An incredible toleration of lawlessness has developed.

Can you imagine the deputies of even one parliament in the civilized countries which might vote for an extension

of their powers beyond those for which the electors voted? No matter how bad the electoral rules are, this is unacceptable.

No matter what the circumstances are, I personally will regard 12 December 1995 as the last day of my lawful mandate as a deputy. Especially since, given the absence of a real majority in parliament today, the elections should be brought forward, not put back. Otherwise the state will mark time.

The Federation Council, the State Duma, the government, and the president must operate strictly according to the Constitution and the laws, no matter how bad they seem. If unlawful legal acts are adopted in the components of the Federation, the state is obliged to repeal them, not to sign bizarre agreements. If individual parts of the country are, essentially, in revolt and declaring sovereignty, you cannot close your eyes to that fact.

Four years after the proclamation of its sovereignty, Russia is still not a rule-of-law state from the purely human viewpoint. Hence the absence of order, the crime, and the corruption, for which no one wants to bear responsibility. I hope that Russia will be able to celebrate both the fifth and the 10th anniversary of the restoration of its sovereignty.

Duma's Agriculture Law Criticized

MK1706072094 Moscow KURANTY in Russian 17 Jun 94 p 2

[Report by Vasiliy Asin: "Duma Perpetuates Serfdom In Agriculture"]

[Text] That was the assessment made by democrat deputies of the law "On Agricultural Cooperatives," which has passed its first reading in the lower house of the Russian parliament. This document consecrates the "indivisible land" of the existing collective farm-cooperatives and makes it impossible to allocate a plot (a share) of land to a collective farmer who wants to break away. The peasant's unconditional right to freely determine his own fate is replaced by whatever decision is reached by a general meeting, which is easily manipulated by our rural feudal lords. In approving the law the deputies were not deterred by the fact that many articles in the above law contravene the Russian Federation Civil Code which earlier also passed its first reading in this same Duma.

Igor Lukhashev, a deputy in the "Yabloko" faction, described the passing of the draft law as "perpetuating the basis for feudal relations in agriculture." In the voting, the document was supported by 248 deputies, with 50 voting against. Such is the real value of the present attempts by people in the Duma to pose as fighters for human rights.

Regional Affairs

Russia Suspends Flights To Chechnya

LD1606175494 Moscow ITAR-TASS in English 1712 GMT 16 Jun 94

[Text] Moscow June 16 TASS—Russia has abolished air communications with its break-away southern republic of Chechnya. The Russian Ministry of Transport has sent a message to Groznyy that it suspends all flights from Russian airports to Chechnya as well as those from the Chechen capital to any airport of Russia, Shirvani Pashayev, an aide of the Chechen information minister, told ITAR- TASS by telephone on Thursday.

Pashayev said that the flights were suspended under a pretext that Chechnya gives no guarantees of safety in the air space over Groznyy.

Chechnya Asks for Flight Resumption

LD1606195294 Moscow INTERFAX in English 1833 GMT 16 Jun 94

[Text] The Chechen Foreign Ministry called on the Russian Transportation Ministry to resume flights from Moscow to Groznyy that were suspended ostensibly for security considerations.

The ministry's letter emphasized that the situation was quiet in Groznyy.

The Chechen Foreign Ministry described the unilateral suspension of flights by Moscow as a violation of international law which does serious harm to bilateral relations.

Moscow Accused of Plotting Against Chechnya

LD1606195594 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 16 Jun 94

[Text] Russia keeps organizing conspiracies against Chechnya, Chechen Foreign Minister Shamsudin Yusef said today. He accused Moscow of refusing to normalize relations between the two countries. He mentioned the recent attempt on Dzhokhar Dudayev's life as an example of anti-Groznyy actions.

In the meantime, the military commandant of Chechnya has today demanded that illegal armed formations disband themselves and their leaders give themselves up. This decision by Sultan (Geleskhanov) is connected with recent clashes in Groznyy.

Yeltsin Interviewed at Tuva Welcoming Ceremony

LD1706081894 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 16 Jun 94

[Interview with President Boris Yeltsin by A. Shkirando at welcoming ceremony in Tuva; date not given; from the "Novosti" newscast—recorded]

[Text] [Shkirando] Boris Nikolayevich, you have just visited two very different regions of the country. How did this visit help to convince you about the unity of Russia?

[Yeltsin] This is an interesting question. You see, the unity of Russia does not mean a uniform way of living. It means unity of spirit. It is the unity of people's attitudes toward their motherland. I have seen confirmation of this in Amur Oblast as well as here. In relation to the living conditions, of course, there is a big difference. After all, when people earn 300,000 rubles there while a shepherd here gets

100,000-120,000 rubles working in the hardest of conditions, having to move his flock and his campside every 15 days—this is not fair. This is a consequence of the mistake made on the federal level in setting the price for wool, and this mistake should be corrected.

[Shkirando] In the political sense, how close have these regions become to you as president and head of state?

[Yeltsin] You should put this question to them.

[Shkirando] But what are your impressions?

[Yeltsin] I think that they did come closer.

[Sherig-Ool Oorzhak, president of Tuva] We think that the subjects of the Russian Federation are getting closer day by day, strenghtening our common Russian statehood.

[Kaadar-Ool Bicheldey, chairman of the Tuva parliament] The visit of Boris Nikolayevich fulfills this task perfectly. We will be doing everything to make sure our people understand and appreciate this correctly. And we ourselves will be guided by the attention with which we are honoured.

Yeltsin Pledges R4 Trillion for New Cosmodrome

MK1706065094 Moscow SEGODNYA in Russian 17 Jun 94 p 1

[Report by Dmitriy Frolov from the "Space" column: "Strategic Missile Base Will Become Cosmodrome"]

[Text] As SEGODNYA reported earlier, at a conference with representatives of the Amur Oblast Administration Boris Yeltsin discussed the question of building the Svobodnyy-18 cosmodrome. Now it has transpired that the president promised Major General Aleksandr Vinidiktov, chief of the Space Equipment Test and Operation Center, that he will make available 4 trillion rubles over the next 10 years to convert the former strategic missile base into a cosmodrome.

Until recently there were 60 launch silos at the base. Now the majority have been dismantled. Only five silos remain mothballed. But even this number is more than is required to launch small satellites: Only relatively small spacecraft can be launched from the silos. It was decided to keep only two of them. From 1996 satellites weighing up to 1.5 tonnes will be put into orbit from the territory of Amur Oblast with Rokot rockets. The whole project for building the new cosmodrome will call for substantial financial and manpower resources. Some 10,000 people will be engaged in building various cosmodrome installations.

Building of New Cosmodrome Viewed

LD1706051294 Moscow ITAR-TASS World Service in Russian 1609 GMT 16 Jun 94

[By ITAR-TASS correspondents Veronika Romanenkova and Semen Ivanov]

[Text] Moscow, 16 Jun—In the near future a specially convened "council of professionals" will adopt an official decision on Russia's creation of a new cosmodrome in the Far East. One can evidently bank on a positive decision on this problem after the Russian President Boris Yeltsin expressed his support for the idea of the creation of a space test-range during his visit to Blagoveshchensk.

The sum of four trillion rubles specified by Boris Yeltsin as being necessary to upgrade the former missile division at Svobodnyy is the equivalent of approximately $2 billion dollars, while the continued operation of Baykonur for 20 years on the terms of its lease from Kazakhstan will cost 2.3 billion. If one considers that in its version of the lease agreement for Baykonur Kazakhstan has raised the price of its lease to $480 million a year, 2 billion will be "run up" in just a few years.

In addition at the expiry of the period of lease the Kazakhstan side will be left with all the launching pads, since there is no question of the equipment being dismantled and removed. A number of experts consider therefore that it would be more beneficial to invest the same funds into the creation of Russia's own cosmodrome within its own territory, since it is hardly likely that anyone could make territorial claims on Amur Oblast.

The oblast itself is according to Vladimir Polevanov, its head of administration, "all for the cosmodrome." Indeed Svobodnyy-18 could right now accept 10,000 people to start its full-scale construction. In all the space port would provide 56,000 people with jobs.

Meanwhile, prior to the convening of the "council of professionals", which will involve designers, producers and operators of space rocket equipment, planning work is already under way at Svobodnyy-18 to upgrade the rocket silos for the launching of Rokot carrier-rockets, the first of which is due to be launched in early 1996.

Yeltsin Promises 1,000 Combine Harvesters to Novosibirsk

LD1606135494 Moscow ITAR-TASS World Service in Russian 1308 GMT 16 Jun 94

[By ITAR-TASS correspondent Viktor Yelmakov]

[Text] Novosibirsk, 16 June—Russian President Boris Yeltsin made a stopover in Novosibirsk this afternoon on the way to Moscow from eastern Russia.

Boris Yeltsin had a conversation with leaders of the oblast. During the conversation, Ivan Indinok, head of the oblast administration, said important problems in the oblast were touched on. He assessed the conversation with the president as very interesting and full. The head of administration said that the president had agreed to a request to send a government commission to the oblast to work with local experts on an analysis of the functioning of the administration and to consider aid issues.

Boris Yeltsin also asked about the outcome of the sowing season and expressed concern about the difficulty in harvesting. Ivan Indinok asked for combines to be sent to Novosibirsk, as the pool of vehicles is going to be greatly overloaded.

The president gave an instruction that sending a thousand combines to the oblast should be considered. This would be a tremendous support for us, the head of adminstration said about the president's decision.

After a short stopover the president's airplane left for Moscow.

Yeltsin's Far East Tour Reviewed

LD1706080294 Moscow ITAR-TASS in English 0635 GMT 17 Jun 94

[Text] Moscow June 17 TASS—President Boris Yeltsin returned to Moscow on Thursday evening from a three-day working trip to the cities of Blagoveshchensk, the Tuva Republic capital Kyzyl and Novosibirsk.

The president visited Kyzyl on the final day of his tour. The Tuva Republic heavily depends on its relations with the outside world. Many difficulties would have been avoided if not for destroyed relations with other Russian regions.

Yeltsin noted at a meeting with the Tuva leaders that the republic borders Mongolia and has contacts with China—it is necessary to develop these relations. The republic can be pulled out of the deep economic crisis only through stepped up development of contacts with other regions and through participation in the inter-regional association called "Siberian agreement".

Turning to the economic situation in the republic, Yeltsin noted that the main indices in Tuva are worse than the Russian average. The republic cannot live, relying only on its own resources.

The chief executive stressed that the strengthening of the Russian Federation is the president's most important task. "The state should have a single economic space and single legislation," he stressed. "Proceeding from this premise, it is necessary to tap unique possibilities of Russia's every region."

Speaking of his working trip to the Amur region on May 15, the Russian leader said that that region, according to the structure of its economy, should be self-sufficient. It can live without subsidies. The president did not put forth the same task before Tuva.

"The difference between ratios and living standards is too great. It would be unjust to say: live, relying on your own resources. People and leaders are not to blame for a shortage of resources, and nobody reproaches them for this.

"This is the way Tuva's economy has shaped up. Therefore, we should help the republic so much as to bridge the gap between the living standards of its people and those of entire Russian population."

The president noted that he does not intend to limit himself only to promises but gave guarantees to the Tuva leaders of a substantial aid from the federal budget.

Yeltsin pointed to Tuva's rich natural resources. In the president's opinion, the republic can provide itself with timber, electricity and develop tourism. The development of infrastructure and the transportation system is the pressing problem of the region.

The chief executive said in conclusion that efforts should be made to implement two decrees he signed in Tuva to develop the economy and the social sphere in the republic. The president noted that the former mistrust between the centre and the Tuva leadership has disappeared, and the republic has removed the tense racial atmosphere which was present there two years ago.

Therefore, the main thing now is joint actions to pull the republican economy out of the crisis in order to create normal social conditions for the Tuva population, Yeltsin concluded.

En route to Moscow, the Russian leader made a stopover in Novosibirsk where he had a meeting with the regional leaders. Head of the regional administration Ivan Indinok who participated in the meeting, described it as very interesting and substantive.

He said that the president agreed with a request to send to the region a government commission which should examine, together with local specialists, the administration's activities and consider questions of rendering assistance.

Yeltsin was also interested in the results of the spring sowing and expressed concern over the coming difficult harvesting. Indinok told the chief executive that 30 per cent of ploughland were sown with substandard seeds. However, the region managed to avoid cutting acreage under spring crops.

The regional leaders expressed a request to send combine harvesters to the region, since the workload on the present fleet will be very great.

The president gave instructions to examine the question of delivering 1,000 combine harvesters to the region. "This will be a serious support for us," Indinok commented on the president's decision.

Moscow Mayor Supports Edict on Organized Crime

LD1606145494 Moscow ITAR-TASS in English 1348 GMT 16 Jun 94

[By ITAR-TASS correspondent Galina Sugak]

[Text] Moscow June 16 TASS—Moscow Mayor Yuriy Luzhkov has qualified the Russian president's decree on urgent measures for the defence of the population from bandits and other forms of organised crime as a very important and timely measure. Luzhkov pointed out that an extremely tense criminal situation in the country and ways out of it are the most important problems faced by the city today.

He pointed out that the situation in the city had acquired an entirely different character by now. Earlier, mafia structures used to settle scores between themselves, building up tension in the city without directly affecting the life of city residents, whereas today, the level of criminal activities not only expanded in scope, but acquired an entirely different quality. It affects major businessmen, bankers and other business people who are involved in the formation of new economy in the city.

A recent statement made by the board of the "Logovaz" joint stock society in connection with an attempt on the life of its director general has exasperated the city authorities, Luzhkov said. Apart from prominent activists, major state and commercial agents, common people die, who have nothing to do with this but and who happened to be on the scene of the tragedy.

"To transfer the police to a reinforced system of maintenance of law and order - this is what the new decree provides for," the mayor said. He pointed out that the city is prepared to meet the interests of the most important department for ensuring the city's well-being as never before: police stations are being provided with new premises and funds are being allocated, including hard currency, to provide the police with the necessary facilities and equipment.

Moscow Police Continue Subway Operation Against Drugs

LD1506161694 Moscow ITAR-TASS in English 1515 GMT 15 Jun 94

[By ITAR-TASS correspondent Andrey Kulikov]

[Text] Moscow June 15 TASS—Moscow's police continue the operation code-named "Mak" (Poppy) on the Moscow metro in an attempt to curb the rising wave of crime in the Russian capital.

Over the two weeks since the beginning of the operation, the police have seized over 20 kilograms of drugs.

On Tuesday, on one of the metro stations they detained a resident of Tajikistan who was carrying one kilogram of opium. An investigation was launched.

The operation is generally viewed as part of the federal anti-crime programme approved by the president. The government plans to spend about five trillion roubles to implement it, hoping to receive back twice as much.

The programme largely expands the rights of law enforcement bodies and provides for a greater role of counterintelligence in fighting organised crime in Russia. Counterintelligence service leaders said they will set up a special body to take active measures to combat the rising wave of crime and will act in cooperation with other crime-fighting organisations. Similar bodies are planned to be set up in several big Russian cities, including Moscow, St. Petersburg and Novosibirsk.

On Tuesday, President Boris Yeltsin signed a decree giving Russia's police new powers to fight organised crime which has been lately terrorizing most Russian cities.

To prevent possible criticism of the decree, a high-ranking Russian counterintelligence official said earlier today that the decree does not infringe upon civil right and curbs only the rights of criminal groupings. Yevgeniy Sevostyanov, head of the counterintelligence service in Moscow and the Moscow region, said that the decree aims at protecting the population of Russia from organised crime. "The adopted measures limit only the rights of the members of criminal gangs and their direct accomplices," he said.

Moscow Nuclear Installations Safety Threat

PM1606111194 Moscow IZVESTIYA in Russian 15 Jun 94 p 11

[Unattributed response to Reader's Letter under the "Goods and Services" rubric: "Is Radioactive Waste Being Stored in Moscow?"]

[Text] Is it true that there are radioactive waste storage facilities on Moscow territory?

[signed] A. Pecherskaya, Krasnoyarsk.

As we were told at the Russian Federation Federal Inspectorate for Nuclear and Radiation Safety [Gosatomnadzor], there are 49 nuclear research installations on the capital's territory. These include the research reactors belonging to the Kurchatov Center, which is located in a densely populated part of the city. The amount of radioactive waste stored both at the center's own site and at other establishments is in excess of 200 tonnes. The Gosatomnadzor inspectorate for the capital believes that all this waste represents a threat to the safety of the city's inhabitants. However, the government has not allocated the resources for removing the radioactive waste and dismantling the reactors. It will cost around 15 billion rubles.

Law Gives Tatar President Extra Authority

944F0830A Kazan RESPUBLIKA TATARSTAN in Russian 15 Jun 94 p 1

["Law of the Tatarstan Republic: On Endowing the President of the Tatarstan Republic With Additional Authority in Connection With the Socioeconomic Situation That Has Taken Shape in the Tatarstan Republic"]

[Text] With the aim of enhancing the operational effectiveness of decisionmaking in the economy, of securing the further course of reforms in the Tatarstan Republic, and of strengthening social protection for the populace, and in accordance with Point 17 of Article 111 and Article 112 of the Constitution of the Tatarstan Republic, the Supreme Soviet of the Tatarstan Republic decrees:

Article 1. To extend to the president of the Tatarstan Republic, until such time as appropriate laws regulating legal relations in the financial, economic, social, and

administrative spheres of the Tatarstan Republic are adopted, the right to issue edicts with respect to the above-mentioned issues.

Article 2. This law enters into force as of its date of publication and remains in effect until 1 April 1995.

[Signed]President of the Tatarstan Republic M. Shaymiyev
City of Kazan, 8 June 1994

Ivanov Patriotic, Youth Groups Flog U.S. Flag

MK1606122094 Moscow PRAVDA in Russian 16 Jun 94 p 2

[Unattributed "Own Information" report: "A U.S. Flag Has Been Flogged"]

[Text] Representatives of youth, patriotic, and left-wing organizations in the city of Ivanov have staged a public flogging of a U.S. flag. It was flogged with birch rods, "indiscriminately, at whatever part came to hand." People say that it would be much better to flog a live American. He would be screaming and shouting, twisting and rolling, and doing many amusing things.

Cruel? Possibly. But one can well understand these people, driven to despair and sick with the "good life U.S.-style" being foisted on them by TV.

Khabarovsk CP Issues Statement on PRC, DPRK

OW1606055194 Khabarovsk Radio Khabarovsk Network in Russian 0845 GMT 15 Jun 94

[From the "Kray News" program]

[Text] The Khabarovsk Kray Committee of the Russian Federation Communist Party adopted two announcements: The first states that the communists, like all Russians, support friendly and good neighborly relations with the PRC. At the same time, the communists believe that the development of Russian-Chinese relations should be developed while taking into account interests of the Far East territories and the inviolability of existing borders. Thus, they fully support the Khabarovsk Kray administration's position and demand that the Russian Government renounce the 1991 border agreement as incompatible with existing realities and signed without coordination with Khabarovsk Kray. They further demand full and profound talks with China with the participation of kray representatives.

Another announcement states that lately, some mass media have been actively commenting on the situation of DPRK loggers employed at logging camps in the Far East in accordance with an agreement signed by the Russian Federation and the DPRK. This coverage has especially intensified by several steps taken lately by South Korean authorities and aimed at examining the so-called human rights question. These acts go as far as the kidnapping of North Korean loggers from Russian Federation territory. The kray communist party believes that the South Korean authorities' actions amount to no less that interference in the internal affairs of sovereign states who have signed the appropriate agreements, are completely impermissible in relations between states, and constitute an attempt to sabotage the mutually profitable economic relations between Russia and the DPRK. According to the kray party committee, this encourages ethnic hostility and confrontation on the Korean peninsula, which is fraught with many negative consequnences.

International Affairs

Kravchuk Cited on Friendly Relations With Israel

LD1606111594 Kiev UNIAR in Ukrainian 0730 GMT 16 Jun 94

[Text] Kiev, 15 Jun—Ukrainian President Leonid Kravchuk received Israel's Foreign Minister Shimon Peres during the minister's visit to Ukraine.

"Ukraine attaches great importance to the development of friendly bilateral relations with Israel," the Ukrainian president stressed. "This visit opens a new stage in Ukraine's relations with Israel."

Leonid Kravchuk spoke warmly about his visit to Israel in January last year when he signed a memorandum on mutual understanding and fundamental principles of cooperation between the two countries. At the same time, Ukraine's and Israel's foreign ministries signed a protocol on consultations. The two countries also signed intergovernmental agreements on cooperation in education, culture, science and technology, agriculture, and air transportation.

"To us, Israel is and has been a sovereign state with which we are keen to develop relations," the Ukrainian president said. "We are neighbors, and many of our countrymen are now citizens of Israel. They live there and they wish Ukraine to be happy.

"We have worked out a considerable legislative basis for the development of our relations. The main thing is that the people of Ukraine want to have friendly relations with Israel, and there are no problems that we cannot solve."

Israel's Peres Signs Agreements in Kiev

LD1606153094 Kiev UNIAN in Ukrainian 1145 GMT 16 Jun 94

[Text] Kiev, 16 June—Israeli Foreign Minister Shimon Peres signed a joint communique and a number of agreements following a meeting with government officials at the Cabinet of Ministers. The documents include an agreement on encouragement and mutual protection of investments, a trade and economic agreement, an agreement on cooperation in law enforcement and crime prevention, a program of cooperation in education and culture in 1994-96, and a protocol on special measures in the field of education toward implementation of the agreement between the Governments of Ukraine and Israel on cooperation in education. In addition, the Israeli foreign minister met a group of editors in chief of the Ukrainian media. Shimon Peres announced that a large group of Israeli businessmen, about 100 people, were expected to arrive in Ukraine on 18 June. Touching upon the issue of confidence in the process of the Middle East settlement, the Israeli minister said he assessed favorably all that had been done and the present state of affairs. At the same time, Peres noted: "If there is something left to do, we will not leave the room."

Asked by UNIAN about Israel's view of the Crimean problem, Shimon Peres stressed his country's firm stance in support of Ukraine's territorial integrity. In reply to a question about the tension between the two countries caused by the Ministry of Justice statement on the activities of Sohnut agency, he said that the differences had been settled. The activities of Sohnut's branch in Ukraine are no different from the work of the same agencies in the United States, Great Britain, France, and other countries, he said.

Gives News Conference on Visit

LD1706094294 Kiev UNIAN in Ukrainian 1910 GMT 16 Jun 94

[Text] Kiev [no date as received]—The Israeli and Ukrainian foreign ministers, Shim'on Peres and Anatoliy Zlenko, held a joint news conference today at Ukraine's Ministry of Foreign Affairs. Zlenko, in particular, said the development of relations between the two countries has deep roots. "To many sons and daughters of the Jewish people, Ukraine has become a homeland encouraging the evolution of their talent. We regret that some of the best and most highly qualified professionals are leaving Ukraine. Our country does not object to the natural process of Jewish emigration as long as it proceeds in a civilized manner," Anatoliy Zlenko said.

The Ukrainian foreign minister underscored his country's readiness to contribute to ending confrontation in the Middle East region on a multilateral basis within the framework of the United Nations.

Shim'on Peres said this was his first visit to Ukraine and he could see differences between the situation in Ukraine and the way it is described by some of the mass media. He expressed the opinion that cooperation in the sphere of culture and business could be particularly fruitful.

As for Ukraine's role in settling Middle East issues, Shim'on Peres emphasized that Israel would welcome Ukraine's possible participation in the peace process in the Middle East region.

As far the Crimean issue is concerned, the Israeli foreign affairs minister underscored that Israel has already expressed its support for the Ukrainian Government's policy and that position remains unchanged.

Shim'on Peres also said that he will stay in Ukraine for one more day and on 17 June will visit Odessa where, he said, Israel's consulate is to open in the very near future.

Kravchuk: Sevastopol Cannot Be Base of Russian Navy

LD1606190294 Moscow ITAR-TASS in English 1821 GMT 16 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Odessa 16 June TASS—"Ukraine is ready to consider the problems of the Black Sea navy by taking interests of the Russian Federation into account, but the

Russian Federation should take into account Ukraine's interests, too," President Leonid Kravchuk of Ukraine told servicemen of Ukraine's First Aeromobile Division stationed in the Bolgrad district.

"The Russian Federation now admits that Crimea is a constituent part of Ukraine. We are quite satisfied with this approach. However, Ukraine should play a leading part in solving the problems of the Black Sea Navy," Kravchuk said.

Touching upon differences between Russian and Ukrainian approaches to these problems, Kravchuk pointed out that Ukraine cannot accept the formulation which Russia wants to force upon it, namely that Sevastopol is a base of the Russian Navy.

"Sevastopol cannot be a base of the Russian Navy," he said. Ukraine proposes another formulation: "A base of the Russian Navy in Sevastopol" rather than "the Sevastopol base of the Russian Navy."

"The whole thing should be adopted in accordance with international principles and agreements. Naturally, it may be a matter of other bases of our country, too, where ships of Russian and Ukrainian Navies may be placed," Kravchuk added.

When in the division's quarters, Kravchuk familiarized himself with the servicemen's combat readiness, their way of life and watched them taking part in demonstration exercises.

Kravchuk will leave Izmail for Odessa late at night.

Crimean Leaders Outline Plans for Regional Economic Links

PM1606105994 Moscow ROSSIYSKIYE VESTI in Russian 15 Jun 94 First Edition p 3

[Interview with Yevgeniy Saburov, member of the Crimean Cabinet of Ministers, and Doctor of Economic Sciences Vladimir Remyga, chairman of the Crimean State Committee for Foreign Economic Relations, by Aleksandr Ryabushev in Simferopol under the rubric "In Governments"; date not given: "Prosperity Lies in Unity"]

[Text] "How does Crimea see the new government in the future?" Our correspondent put this question to Yevgeniy Saburov, a member of the Cabinet of Ministers, and to Doctor of Economic Sciences Vladimir Remyga, chairman of the Crimean State Committee for Foreign Economic Relations.

[Answer: speaker not identified] Well, first of all, I see the top-priority strategic task in the foreign economic policy sphere as determining a place for our Republic on a federative basis with Ukraine, and in Kiev's giving us economic autonomy. Full autonomy, according to the pattern of mutual relations between the governments of Tataria and Russia, and the settlement of contradictions between the Crimean Constitution of 6 May 1992 and the legislative acts of the former Ukrainian parliament. But once these contradictions are definitively resolved by means of talks between Crimean and Ukrainian parliamentary commissions, then we will start to implement our own foreign economic program, which the Crimean Supreme Council has already submitted to us for ratification.

[Ryabushev] But talks could go on for a month, or two months, and the reforms will remain on paper only.

[Answer] No, we are not standing still. One of Yuriy Meshkov's first edicts was to open a trade mission in Moscow, and treaties on economic cooperation have been signed with Tatarstan and Krasnodar Kray. Not long ago the Crimean president flew out to Cyprus. We are now preparing to sign a similar agreement with Cyprus. In addition, a memorandum has been signed in Moscow with the trade representative of Taiwan, which wants to participate in the creation of a joint, transnational, "Kerch-Taiwan" free economic zone. A working group is already forming under the aegis of an international association for the development of free economic zones. In general terms, the priority concepts of our foreign economic program are: to attract foreign investment into Crimea and technical assistance within the framework of UN international programs; to secure the establishment in Crimea of an office of the agency for international cooperation with and investment in Ukraine, and offices of corresponding Russian and UN organizations; to organize cooperation with Ukrainian and Russian trade and economic missions; to establish telecommunications links and obtain the right of access to the information systems of the Russian and Ukrainian Ministries of Foreign Economic Relations; and to secure for Simferopol a regional office of the Ukrainian Foreign Ministry consular administration. We are also planning to open a Crimean currency exchange and a center for clearing accounts for making payments between Crimean and Russian enterprises, and also to sign an agreement with Russia on a single certificate of safety for our output issued by the Crimean standardization service. As soon as political passions die down, we are planning to examine a project for the construction of a bridge linking Kerch with Krasnodar Kray. In a word, as is written on our Republic's emblem, prosperity lies in unity.

National Affairs

Kuchma Refers to CIA Forecasts on Future of State

AU1606113594 Kiev HOLOS UKRAYINY in Ukrainian 15 Jun 94 p 1

[Unattributed report: "L. Kuchma Uses CIA Forecasts To Scare People"]

[Text] The U.S. Central Intelligence Agency predicts that Ukraine will disintegrate this year for both ethnic and economic reasons. This was stated by Ukrainian presidential candidate Leonid Kuchma at a meeting with Zaporizhzhya residents at the "Dniprospetsstal" industrial complex. Therefore, the entire activity of the future president must be directed toward maintaining peace and quiet.

History offers Ukraine its last chance to build an independent state. The road toward that is through economic union with CIS countries and adherence to current legislation.

Kravchuk Warns Crimea on Territorial 'Integrity'

LD1606180894 Moscow ITAR-TASS in English 1711 GMT 16 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Odessa 16 June TASS—"Ukrainian Armed Forces are able to defend their land, sovereignty and inviolability of state borders. In spite of the financial and material difficulties, Ukraine has a ready-for-combat army. It does not threaten anyone, however," Ukrainian President Leonid Kravchuk told servicemen of the First Ukrainian Aeromobile Division stationed in the Bolgrad District.

Touching upon "Crimean issues," Kravchuk emphasized that they should be solved only within the framework of Ukraine's Constitution. "Member states of the European Union and other countries support this position. Russian officialdom, including President Yeltsin, is of the same opinion. According to the acting Ukrainian Constitution and the trilateral agreement, Ukraine is a sovereign state and no one is entitled to break its integrity," Kravchuk said.

"We will not hamper the autonomous republic's drive for more independence. The official Kiev is ready to consider (Crimea's proposals to this effect). However, it should not be a matter of territory. The territory of our sovereign state is untouchable and no one should surpass the red line. We shall defend our integrity in accordance with the Constitution and shall not permit anyone to neglect our laws," Kravchuk emphasized.

Kravchuk Addresses Odessa Meeting

LD1606201194 Moscow ITAR-TASS in English 1953 GMT 16 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik and UKRINFORM correspondent Vladimir Novak]

[Text] Odessa 16 June TASS—Russo-Ukrainian relations are normal and from now on will be a top priority, they should be developed and reinforced in every way, President Leonid Kravchuk of Ukraine told a meeting of industrialists, agricultural workers, businessmen, students and representatives of various political parties and movements at the polytechnic university on Thursday.

As president, I will do my best to restore ties with the Russian Federation, to make them work both for Russia and Ukraine.

"Ukrainian president should protect interests of his country, and (president) of the Russian Federation—those of his country. This is normal," Kravchuk emphasized.

Touching upon his relations with the newly elected Ukrainian Prime Minister Vitaliy Masol, Kravchuk described him as an educated and experienced person who has changed his views in many respects since his resignation. Judging by his programme presented to Ukrainian parliament, Masol has changed his approach to settling economic problems and sees clearly how to lead the country out of crisis. It is important now that Masol select a strong team and that nobody interfere with his work, Kravchuk said.

New Prime Minister Addresses Parliament

LD1606140694 Kiev Radio Ukraine World Service in Ukrainian 0830 GMT 16 Jun 94

[Speech by Prime Minister Vitaliy Masol to Supreme Council in Kiev—live]

[Text] Esteemed chairman, esteemed president, esteemed people's deputies, esteemed citizens of Ukraine! First of all, I would like to extend my sincere appreciation to all those people's deputies of Ukraine who supported me and voted to elect me to this honorable and very responsible post of prime minister of Ukraine. I would also like to thank those who did not vote for me today, and I hope we can cooperate together. I regard your considerable degree of support and trust as a pleasant sign of a certain solidarity in the deputy corps, as a sincere desire of the new Supreme Council deputies to unite in their intentions, efforts and practical actions toward joint work on solutions to acute economic problems facing our new independent state. I am convinced that each of us sitting in this chamber today is well aware that we are living and working in a time difficult for our homeland, and that the top legislative body and the government of the country are facing a huge responsibility to strengthen its statehood, sovereignty, to overcome the crisis in the economy, raise the living standards and improve the people's well- being.

It would not be an overstatement to say that we are living in a historic time, a time of choice and resolute action in the name of the Ukrainian people, in the name of the young independent Ukrainian state. I would like to assure you, esteemed people's deputies, in all frankness, that I am fully aware of the complexity of the economic and political situation in our country, and that I have a deep understanding of what a tangible moral burden, what a huge responsibility I am undertaking once I am elected prime minister of Ukraine. [sentence as heard] I hope I will have enough strength and experience to live up to your trust and the people's understandable expectations and high hopes that we can stop the country from sliding into an abyss and bring an improvement in the lives of our people. Of course, the success of the government that you have trusted me to head will considerably depend on the individuals who agree to work there, their level of competence and sense of responsibility. I would like it to be a government of like-minded professionals who will pursue modern economic views, stand firmly on a market platform, and who will be guided in their practical work by Ukraine's national interests, rather than their own, and will be beyond politics. In my understanding, economics is the highest form of

politics for a government official of any level. At the same time, I fully understand that the political factor, the atmosphere around the government and society on the whole, must play an extremely important role in creating proper conditions for the revival of national economy and for its progress. In the past few years, we have seen for ourselves, in our experience and that of others, that deep economic reforms are impossible if there is no national concord, civic unity, and an atmosphere of understanding and full support for the government's economic policy in the society.

On this premise, I would like to propose that all political forces, millions working in various sectors of the national economy and all citizens of Ukraine refrain for a while from any destructive actions, by which I mean first of all strikes and other forms of stoppages in the production. It is particularly dangerous now in the coal industry and in the entire fuel and energy complex. Of course, we are not going to live in some conflict-free, totally peaceful society. But I am convinced that even in today's extreme situation all misunderstandings and contentious issues that may emerge can be solved in the course of work, by studying all the circumstances and negotiating, without resorting to extreme measures.

Our life and work will not be easy, because the crisis has not passed but continues to deepen, and its worst consequences are probably yet to come. We may be yet in store for an explosion, but the government must do everything in its power to minimize its socially negative consequences and prevent further economic destabilization in the country. Moreover, the Cabinet of Ministers, together with the parliament will take effective steps toward gradual improvement of the people's living standards, pay, pensions and social benefits. But all this will be done together with the livening up of production and an increase in the national income. Although the government will give unconditional priority to the social sphere, I believe that a change for the best in our life and stabilization of the economy will not begin until a year or a year and a half from now. I don't think we should make promises we cannot keep.

I have already said this, and I want to say again that we must create a government with full powers, with a genuine responsibility for the state of the economy. I proceed here from the fact that the competence and efficiency of any management structure primarily depends on how well the powers and responsibilities vested in it accord with its practical activities. There should be a clear and direct correlation. On this basis, I support the provisions of the draft law on amendments to the Constitution, which stipulates that the prime minister of the country must be head of executive power, personally accountable to the Supreme Council and the people for the implementation of the laws, resolutions and economic programs adopted and their social consequences.

We should say bluntly that today, with the existing split and duality in the executive power, our government does not have this status, and it cannot help but affect its efficiency. We must draw a clear and rational line between the functions and responsibilities of representative and executive bodies, of the center and the regions, giving local authorities powers to resolve all issues concerning local life, provided that they unconditionally support the overall state interests and preserve Ukraine's territorial integrity. We are in great need of a flexible and effective vertical power structure, without which a state cannot exist. We have certain intentions to that effect, and I hope that our parliament will come to an agreement on this important issue and will pass relevant laws. Using its right to initiate legislation, the government will be active in creating a reliable legal basis and preparing laws necessary to accelerate economic and political reforms. We must make relevant changes in some of the acting laws and as soon as possible renounce outdated legal acts which are slowing down the recovery of our economy and society on the whole. Undoubtedly, I am counting on joint constructive work with the parliament, its commissions and people's deputies. Of course, in the current situation, neither the government nor myself can count on any chance of quiet work in comfortable offices. I am not even thinking of that, but I do hope that the new Cabinet of Ministers will be given a chance to work fruitfully, fulfill its potential and do all in its power to improve our economic situation. During this work, I will always be ready to consider any anticrisis proposal from people's deputies, one which would be well-grounded, backed up by relevant economic calculations and offering positive consequences of its implementation. To that end, the doors of the Cabinet of Ministers will be open to anyone. But, on the contrary, I believe there is no need today to queue to the prime minister's office to beg or snatch something from the state treasury. Give us a chance to work, and if there is any emergency, we will see you. There is almost nothing left to hand out at the government level, and, moreover, in the market conditions that we are adopting the functions and powers of the government will be totally different.

In conclusion, esteemed people's deputies, allow me to express again my sincere and deep gratitude to all of you for the great deal of trust you have placed in me. Thank you for your attention.

Interviewed on Eve of Election

WS1706085994 Kiev KIYEVSKIYE VEDOMOSTI in Russian 15 Jun 94 p 3

[Interview with Ukrainian Prime Minister Vitaliy Masol by Larisa Zhalovaga; place and date not given: "Vitaliy Masol: 'If There Were Market Relations in Our Country, I Would Be an Independent Man Today'"]

[Text] The Ukrainian parliament is currently waiting for a new prime minister. Among the most probable candidates is Vitaliy Masol, former head of the government, who resigned from his post after the 1990 students demonstrations. It is quite possible that Masol's "second coming" to the Cabinet of Ministers will become a reality, since he enjoys support from the leftist majority in parliament. We

present to our readers an interview with the candidate for prime minister by a KIYEVSKIYE VEDOMOSTI correspondent.

[Zhalovaga] Vitaliy Andriyevych, what do you think of the prospect of again sitting in the prime minister's chair?

[Masol] If I am to work in the government, I should know that I will be supported by parliament, to avoid the following situation: I am appointed as head of the Cabinet of Ministers today, and tomorrow, I will be asked why the economic situation is still unstable. Stabilization will take place in neither three days nor a month. Thus, when the three main state officials live like a swan, crayfish, and pike in the same lake, I want to be neither a swan, nor a crayfish, nor a pike. Moreover, I am currently morally pleased that I had once properly assessed the situation. Three years have already passed, and these years have confirmed that my conclusions were correct. I said, and still say, that I very seldom make mistakes in my predictions. I was against the introduction of hard currency. Ukraine was not ready for that; we should have established a banking system first. People were shouting: "Conservative, Moscow's protege!" When I was saying that we should not break ties with Russia, no one believed me: "We are feeding Moscow!" Tell me what real grievances, regarding the economy, were presented against the Masol government in 1990? None. It was simply—"Down with Masol!"

[Zhalovaga] Vitaliy Andriyevych, the leftists have overwhelmed the new government. Will they be able to assume responsibility for forming the government? What kind of a government could there be?

[Masol] Personally, I would like very much that the leftists be able to form the cabinet. I would like that new politicians-realists appear, first of all, in the Executive Branch. In my opinion, among the recently elected deputies there are people who are able to soberly assess the situation and begin implementing reform. Regarding the leftists, they must establish a unified bloc with the centrists. They must cooperate to stabilize the economic situation. Decrees that have been blocking production must be rescinded, the system of taxation must be reformed, and the pricing mechanism must be altered.

[Zhalovaga] You were against shock therapy...

[Masol] We have not had shock therapy. We have had a stress-shock therapy, because no economic policy has been conducted. It was decided: "We will not meddle in the life of enterprises and kolkhozes. Do whatever you want to do." That was all. But first, there should be discipline and order in the state. How are you going to maintain and oversee them is another question.

[Zhalovaga] To which period of history can Ukraine's current situation be compared?

[Masol] I think that there have been no analogous situations in world history. It is simply ridiculous to compare today's Ukraine with postwar Germany—these are two incomparable situations. Although we had relative wealth, we ended up in poverty. Currently, I am categorically against our heading toward poverty while promising wealth at the same time. I do not know how many years we need to reach the same volume of agricultural production as we had three years ago.

[Zhalovaga] So you believe that our country has its own way. How would you describe it?

[Masol] Russia was, is, and will remain for many years our primary market. No one will allow us to enter the West with our meat, milk, or butter. There are strict market relations. Fight. Ukraine is currently losing the Russian market, and at the same time, the West is conquering it. Plus, there has been a resolution to introduce customs duties! If Ukraine loses the Russian market, it will be very hard for us to survive, because the agricultural sector is a priority in our country. We were delivering a great volume of agricultural production to Russia, which was allowing us to pay for gas and oil deliveries.

[Zhalovaga] Vitaliy Andriyevych, would you like to be an owner?

[Masol] If there were market relations in our country, I would be, if not a rich man, at least not poor. I would be an independent man today.

Plyushch Comments on Masol Election, Kravchuk Leadership

LD1706133694 Kiev UNIAN in Ukrainian 1130 GMT 17 Jun 94

[Text] Poltava [no date as received]—Ivan Plyushch, Ukrainian people's deputy, former speaker, and presidential candidate, replied to UNIAN's question at a news conference on 16 June about his reaction to Vitaliy Masol's appointment as prime minister: "I spoke to Masol about a month ago or before, and he had a different attitude then. I do not know what pressure made Masol change his mind. I also do not know who needed to elect a prime minister 10 days before the presidential election, but I am not about to make a tragedy of this appointment. I know Masol as an experienced economist and statesman, and if I were to work with him, I think we would agree on a mutually complementary decision on this or that issue."

Asked by UNIAN to explain his differences with Leonid Kravchuk, recently coming to light in an ongoing indirect debate, Ivan Plyushch said: "I think Leonid Makarovych is the kind of politician who is very adept at adapting to public opinion. I believe a politician is a person who forms public opinion and leads it forward."

Supreme Council Chairman Moroz Leaves for Simferopol

LD1606141694 Kiev UNIAR in Ukrainian 1130 GMT 16 Jun 94

[Text] Kiev, 16 June—Ukraine's Supreme Council chairman has left for Simferopol. Mr. Moroz told UNIAN that the main purpose of his visit was to meet Crimean Supreme Council deputies. "The Crimean authorities' alienation from the center does not contribute to the

settlement of Crimean problems," said the Supreme Council chairman. Considering the frequent bias in some of the media coverage of the Crimean issues as well as third party political manipulations "by Russia," Oleksandr Moroz plans personal meetings with Crimea's residents and labor collectives in person. There will be no time for a meeting with the Black Sea Fleet command, although the Ukrainian Supreme Council chairman said he was willing to hold one.

Admits Kiev Errors

LD1606165794 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 16 Jun 94

[Text] We arrived here to fill the gap between the authorities of Kiev and Crimea, said Oleksandr Moroz, Supreme Council chairman of Ukraine, while speaking in the Crimean Supreme Council today. Our task, he pointed out, is to establish business and emotional contacts. However, we have prospects only on condition that we work in a single constitutional field, said Oleksandr Moroz.

According to the Ukrainian Supreme Council speaker, the aggravation of the situation in Crimea was caused not only by the local authorities' actions, but also by the mistakes made by the Kiev authorities.

Touching on the Black Sea Fleet issue, Oleksandr Moroz pointed out that this is a zone of special interest of Ukraine and Russia. In the opinion of Oleksandr Moroz, the Black Sea Fleet should be used jointly by both countries and it should have a joint command. However, the Supreme Council chairman pointed out, Ukraine and Russia should maintain and be in charge of their own parts of the fleet.

Oleksandr Moroz held a news conference for journalists during which he, in particular, spoke out against the federal system in Ukraine, saying that the time has not yet come for this.

Independent Poll Puts Kuchma Ahead in Presidential Race

LD1706155094 Moscow Mayak Radio Network in Russian 1500 GMT 17 Jun 94

[Text] According to an independent poll of voters, Leonid Kuchma leads among the candidates for the Ukrainian presidency. Kuchma called the election of Vitaliy Masol as head of the Ukrainian Government 10 days before the presidential election as a political plot.

'Ukrayina' Leader Vows To Oppose Kuchma, Moroz

AU1606113894 Kiev HOLOS UKRAYINY in Ukrainian 11 Jun 94 p 3

[Unattributed report: "We Are Again Facing a Rubicon"]

[Text] "We are again in the stage of struggling for an independent state. We are facing a Rubicon: Either for Ukraine or against it," this is how newly elected leader of the democratic association "Ukrayina" Dmytro Pavlychko characterized the present political situation in the country. He also pointed out that National Democrats are challenged by two main tasks: To see to it that representatives of anti-Ukrainian forces do not win in the presidential elections and to try and gain victory in the run-off elections of 112 Ukraine's people's deputies on 24 July 1994 in order at least to slightly change the alignment of political forces in the Supreme Council. According to D. Pavlychko, a coordination council of chairmen of political parties has already been created. However, it has not yet worked out a single approach as to whom of the presidential candidates to support, but has already resolved not to provide any support for the programs of [presidential candidates] L. Kuchma or O. Moroz. With regard to the run-off elections, said D. Pavlychko, 73 democratic candidates have been agreed upon and nominated. "It would be good if at least one-half of that number win," said the "Ukrayina" leader.

Crimea's Meshkov Appoints Representatives in Moscow

LD1706095894 Kiev UNIAR in Ukrainian 2215 GMT 16 Jun 94

[Text] Simferopol, 16 June—Crimean President Yuriy Meshkov has issued an edict appointing Igor Vitrokhin as the Crimean trade and economic representative in Russia. Another edict, "On the Crimean Republic's permanent representation in the city of Moscow," appointed Viktor Silayev Crimea's as authorized representative in the capital of the Russian Federation.

'Opposition Parliament' Meets, Outlines Priorities, Goals

WS1606140094 Lvov SHLYAKH PEREMOHY in Ukrainian 11 Jun 94 p 3

[Report by Serhiy Pavliv]

[Text] The second session of the opposition parliament, the Crimean Civil Council [HRK], took place in Simferopol on 5 June. The Secretariat summed up the work carried out to organize the session. After that, its members reviewed events occurring over the two weeks since the last session. Among particular items discussed was a report released by UKRINFORM and picked up by Russia's Ostankino television and Mayak Radio regarding HRK activities allegedly directed at overthrowing the Crimean Supreme Soviet, which was labeled a provocation and as not corresponding with the truth.

"The goal of the Crimean Civil Council is to preserve Ukraine's territorial integrity, decisive resistance to chauvinist demands by Crimean separatists, and the resolution of a number of issues related to social, educational, and cultural problems of the Ukrainian community in the Crimea, as well as the problem of the deported nations—not the struggle for power," states the report by the HRK Secretariat.

Participants in the session approved the time limit, formed the Presidium and several commissions, and appointed respective heads.

Serhiy Lytvyn was elected head of the Crimean Civil Council, while Oleksandr Kulyk, chief editor of KRYMSKA SVITLYTSYA [Crimean Room] newspaper and head of the National T.G. Shevchenko "Prosvita" Association, was appointed as his deputy. Also approved was the line-up of the following HRK commissions: for issues of national policies and deported nations; culture and education; mass media and public relations; and analytical and internal problems.

The session adopted an appeal to the electorate in connection with the presidential elections voicing support for L. Kravchuk and vowing a large-scale campaign against L. Kuchma and O. Moroz.

Members of the opposition parliament went home equipped with clear goals and plans regarding the explanation of HRK goals and rallying people in the hinterland who care about the Crimea as part of Ukraine.

Sevastopol Mayor Visits Russia To Secure Funding for Fleet

WS1606122294 Simferopol KRYMSKAYA PRAVDA in Russian 9 Jun 94 p 2

[Report by G. Staroverov: "Russia Stretches Out Helpful Hand to Sevastopol"]

[Text] Upon his return from a trip to Moscow, Sevastopol City Council Chairman V.M. Semyonov held a press conference. He said that at present, Ukraine is not capable of providing subsidies to Sevastopol and that the goal of his trip was to ensure that the Russian budget finances the part of city's infrastructure and social sector that is connected with servicing the Black Sea Fleet (which represents about one-fourth of all expenditures in this sector). It is expected that 52-53 billion rubles will be earmarked for this purpose.

This amount was announced during the last trip by V.M. Semyonov to Moscow, last April. At that time, Russian President Boris Yeltsin jotted "Please take this into consideration when drafting the budget" on the written appeal.

Aid to Sevastopol should not be a one-shot deal, but permanent. This is Russia's duty, V.M. Semyonov stressed, because the Black Sea Fleet is, and will be, Russian with its base located in Sevastopol.

In Moscow, the mayor of Sevastopol reached an understanding with Russian Finance Minister Yuriy Dubinin and N. Gonchar, head of the commission for budget and currency regulation and tax policies in the Federation Council. Russia's budget participation and the financing of Sevastopol's needs will be conducted on the basis of interstate agreements.

In his report, V.M. Semyonov touched upon the mechanism for funneling funds from the Russian budget to Sevastopol. This issue was also discussed during his visit to Moscow. He held meetings with a number of leaders of large industrial companies and enterprises. In particular, interest in Sevastopol was expressed by one science and production amalgamation from the machine-building industry, also known as the major enterprise manufacturing "Proton" carrier rockets, "Polet" satellites, and "Salut" and "Almaz" space stations. It proposed to use high-technology developments in the manufacturing of solar energy collectors and generators, as well as water purification equipment.

Leader on Split in Rossiya Bloc

944K1450A Simferopol KRYMSKIYE IZVESTIYA in Russian 11 Jun 94 p 1

[Interview with Sergey Nikulin by N. Gavrileva; place and date not given: "Rossiya Will Not Depart From Its Program"]

[Text] Quite a pile of material, in which people ask to one extent or another what has happened to the Rossiya bloc, why has it become virtually in opposition to the president, and much else, has accumulated at the newspaper recently. We put these questions to Sergey Nikulin, Rossiya faction chairman.

[Gavrileva] So what has happened to the Rossiya bloc since the elections? People say that it has ceased to exist....

[Nikulin] Truly, the bloc did end its existence simultaneously with the conclusion of the elections to the Supreme Soviet—this is legally unexceptionable and should not be a cause for any concern. But the bloc's traditions and continuity have been preserved in the Rossiya faction, which has absorbed almost all the supporters of this election bloc—more than 40 persons; they are united by its program. Please recall that it is based on the program of the Crimea Republican Party, (Crimea republican movement), the party that secured election victory for the president and deputies of the Supreme Soviet.

[Gavrileva] But, at a news conference the Respublika faction declared that you had departed somewhat from the joint election program and, how to put this as gently as possible, that you observe somewhat different moral principles....

[Nikulin] As far as the program is concerned, let anyone find even one insignificant clause in which this has been manifested. For example, we spoke to our electorate about the restoration of the constitution of 6 May, it was done, it was restored. We spoke about the protection of Crimean conscripts—it was done, the law on the service of Crimeans in Crimea—it was adopted. We spoke about privileges for needy families—a decree on the cancellation of VAT on children's passes was adopted. I could continue....

[Gavrileva] Enough for the time being, time is clearly short....

[Nikulin] As far as moral principles are concerned.... It is sufficient to hear how representatives of the Respublika faction behave at plenary meetings—they have not submitted a single constructive proposal, everything is geared

to destructiveness according to the principle of the worse, the better. I, truly, cannot recall a serviceable proposal coming from this group.

[Gavrileva] Please explain, if possible, the faction's position in regard to parliament's relationship with the president's team.

[Nikulin] Let us begin with the fact that the contradictions between the president's team and the Supreme Soviet are clearly exaggerated—there are certain forces in Crimea and outside that are endeavoring to split the two branches of power—this is really in vogue, note, and not only here in Crimea.

An attempt was made to accuse the leaders of the Rossiya faction and the Republican Party of an endeavor to push through "their" people into government. For heaven's sake, the Republican Party is the victorious party, and throughout the civilized world it is the victorious parties that form the government. It was assumed that this was how it would be with us also. This is a normal process. We have a fine team and the most experienced and professional specialists of all sectors of the economy. The list by which Mr. Saburov and MESHCHANSKAYA GAZETA attempted to put us to shame was prepared by us at the behest of the president of the Republic of Crimea and Sergey Pavlovich Tsekov (at that time still simply leader of the party) and at the request of V. Minin, leader of the Office for Public Administration. So these are not "our" people, if by this is implied people selected according to the principle of nepotism and family relationships, but the people of the president of the Republic of Crimea, who secured his dazzling victory at the presidential elections and who are recognized specialists in their fields. We should be speaking today, rather, about the others being appointed as a counterweight to our proposals and according to the principles mentioned above, what is more.

Nonetheless, I have complete confidence that the government will treat our recommendations correctly because we have already shown our competency in the building of the statehood of the Republic of Crimea.

But I see nothing extraordinary in the events connected with the situation surrounding the government: The normal mutual adaptation of two branches of power only just recognized and supported by the people is taking place. And inappropriate emotions should not be added to this.

[Gavrileva] Sergey Vladimirovich, what can you say about the fact that both in our editorial mail and in telegrams to the Supreme Soviet your faction virtually is being accused of betrayal of the president?

[Nikulin] Moreover, we are being accused of having been elected to the Supreme Soviet on an oath of loyalty to the president and of not fulfilling it! But let us take these things in order. We have supported the president in all his undertakings, except for his being granted decree-issuing authority: We believe that it is necessary to operate not from the position of a state of emergency but on the basis of a profoundly calibrated and practicable plan. It was this plan that we wanted to hear from Vice Prime Minister Yevgeniy Saburov and his ministers. It is not our fault (or misfortune) but theirs that they were unable to present it to the Supreme Soviet, and this is why additional time for the conclusive formulation of their intention was determined. Nonetheless, those whom the president has proposed have been appointed ministers, and as quickly as possible, what is more.

And apropos the "oath of loyalty" I will say that the same "oath" was given by the president of the Republican Party to the Rossiya bloc—this oath being the actual program of the bloc, which both we and the president intend to fulfill.

Parliament Chairman Outlines Economic Policy

LD1606195094 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 15 Jun 94

[Speech by Supreme Council Chairman Oleksandr Moroz at the Ukrainian Supreme Council in Kiev—live]

[Excerpts] Today, we are supposed to examine the issue that concerns the main principles of the directions of establishing Ukraine's economy in the period of crisis. The establishment of Ukraine as an independent and sovereign state is only possible under conditions of a reliably functioning economy. It should be based on an integral and effective economic system. It is promoting the creation of this economic system that these main principles, as the legal basis of (strengthening) control of the economy by the state, are called upon. The methodological approaches that the main principles are based on envisage a systematic and comprehensive nature of setting up the state regulation of the economy, taking account of its organic synthesis with market regulators and the developed countries' postwar historic experience of overcoming crisis. The main principles originate from objectively analyzing the cause, nature, and scale of the systemic crisis in Ukraine and the persistently continuing trend of its deterioration. After two years, state authorities have failed to make effective use of Ukraine's high scientific and technological level, rich land resources, and its people's great industriousness.

The analysis shows that the state of the economy endangers Ukraine's sovereignty. Large-scale deindustrialization of the economy is being carried out, with hi-tech industries degrading most of all. The average annual rate of the decline in the production sphere is more than 13 percent, and almost 30 percent over the first six months of this year. The production indices have decreased by 50 percent as far as the 50 most important kinds of products are concerned. Construction has been sharply curtailed. The average annual decline in agricultural production exceeded 18 percent. As to the consumption of animal husbandry products, Ukraine has been thrown back 30 years. As compared with the developed countries, the production of meat, milk, and eggs per capita amounts to only 60 percent.

The main causes of the crisis are the absence of a clear-cut political and socioeconomic strategy of Ukraine's development, the chaotic destruction of the planned-administrative system of management without it being adequately replaced by the market mechanisms and infrastructure, the collapse of the USSR national-economic complex, and the fact that the mechanisms of Ukraine's independent economy functioning have not been formed, distorted formation of a market economy by means of a mechanical implantation of the other countries' experience in the national soil, ill-considered liberalization of prices and foreign economic activity and privatization, boosted by the inadequacy of the legal basis and the absence of a reliable state regulation, the unskillful sale and appropriation of national property, penetration of crime elements into the economic activity, partial merger of the state apparatus with the shadow structures, absence of an economic mechanism of the mixed economy functioning, groundless hopes that in conditions of a transition toward market economy the state alienates itself from the economy. [passage omitted]

I bélieve that the state withdrawing from control over the economy and the role of market self-regulation being groundlessly exaggerated in the economic policy of Ukraine's power structures, were some of the main causes of the economic crisis. The main principles make provision for the necessary adjustments in the government's actions in order to establish the optimal ratio between state and market regulators in the economic system.

The aims and sequence of state regulation are as follows: The main and the nearest objective of the state control over the economy, which is determined by the main principles, is to stop the crisis and stabilize the socioeconomic situation in Ukraine. The strategic objective of the socioeconomic transformations in all spheres of life is to bring Ukraine to the way of building a society of progressive development with the state being subordinated to citizens's interests in real terms.

Generally speaking, in terms of economy this means the creation of highly developed production, financial, scientific and technical infrastructure of Ukraine's economy, ensuring highly technological energy and resources-saving and ecologically safe development of all its industries and their competitiveness on the world market, ensuring Ukraine's accession to the world community on an equal footing with other states.

As far as the protection of the state is concerned, the objective is to ensure the high enough military might of the country and the ability to protect and defend its territorial integrity and national interests.

In the social and cultural spheres the objective is to ensure the modernization of the high scientific and technical level of production, consolidation of the positions of Ukraine's science in the world on the basis of raising the general education level of citizens, guaranteeing possibilities for them to receive proper education and qualification, creating conditions for the all-round development of all the branches of culture, literature, and the arts, multiplying the features of high spirituality inherent in the people of Ukraine. [passage omitted]

The socioeconomic transformations will be implemented in three stages. A considerable part of the tasks, envisaged at these stages, will be simultaneous, i.e. will coincide and be held as a set.

The first stage is the determination of the state priorities and mechanisms to ensure them, a gradual transfer from chaotic economic relations to regulated market relations. The task of this stage is to stop the decline in production and begin to raise it, stabilization and implementation of an effective employment program. During the first stage it is envisaged to create by the end of 1995 favorable economic conditions for the effective industries and enterprises of all forms of ownership that determine the economic potential of the state. At the same time production units lacking prospects will be closed down gradually, with those employed at these production units being socially protected. [passage omitted]

The second stage is stabilization. At this stage a reliable stabilization of production is achieved approximately by the end of 1997. A gradual increase in output begins. At the end of this stage the output of industrial and agricultural products, most probably excluding animal husbandry products, should reach the level of the late 1980's, with the improved structure of these products and their significantly higher quality. During this time it is necessary to create the required industrial capacities to ensure the priority trends in the development of the economy, especially for agriculture and the processing industry, to stimulate an increase in the volume of capital construction and modernization of enterprises, housing construction, the development of the social and market infrastructure with conditions being created for the involvement of the money of the enterprises that do not belong to the state. [passage omitted]

The third stage is socioeconomic growth. The effective implementation of the tasks of the first two stages should create a reliable basis for the country's entry to the next stage of the socioeconomic development. In general terms, its main task is to complete the structural reorganization, to form an effective, competitive, socially-oriented market economy, develop and introduce the world standard technologies along the main trends of the scientific and technical progress, to bring the Ukrainian citizens' living standards closer to the level of the industrially developed countries.

The main prerequisites of state regulation policy are these:

Laying the main foundation of state regulation in the economy must take account of certain social, political, and organizational conditions of principal importance. Among them the category of social conditions should include such areas as the social security of the population, maintenance of its living standards at a level no lower than the poverty line, and provision for constitutional and social guarantees of this. The political conditions are state independence,

international cooperation, and good-neighborliness, developing democracy and self-government, strengthening society's legal basis, and political accord in society. The organizational and economic conditions are ensuring the stability of the economic system, averting shock methods in economic transformation, supporting economic, scientific and technological priorities, stopping the fall and ensuring an increase in the productivity of agriculture, and production in society in general.

The state management of the economy must be carried out comprehensively and extend to all spheres of production in society, i.e. production proper, distributive relations, the sphere of monetary circulation and eventual consumption.

Let us look at the directions and methods of influencing economic development. The menacing depth of the crisis requires the lack of state control over the main economic processes in Ukraine to be ended. The effectiveness of the following changes depends upon the precision of the steps opted for at the first stage. It is exactly these steps that the document focuses on.

The aim and form of implementing structural changes is as follows:

The main form of making structural changes is a policy of state priorities based on drawing up national programs and the state stimulating them. The aim of the state priorities policy is supporting the quicker development of the national economy industries and enterprises manufacturing competitive goods of priority importance.

One should remember that the real state of Ukraine's economy in the past and at present, its unique level of concentration and integration with neighboring countries, combined with the incomplete technological cycles, naturally requires the use of large-scale (organizational) and economic formations, including between industries, functioning on the basis of diverse forms of ownership and up-to-date scientific and technological policy. [passage omitted]

Ensuring a balanced development of regions, with their speciality and orientation taken into consideration; overcoming structural deformations, which of late have become worse and, under these conditions, Ukraine retaining productivity; organizing effective cooperation in production between enterprises and industries within Ukraine, and restoring the necessary economic ties within the framework of the CIS and with other world countries, and establishing new relations.

The policy of restructuring must be consistent and gradual and make use of pin-point investment; (a new type of) cooperation between enterprises, targeting complete technological cycles within the state; institution of national and transnational companies on the basis of various forms of ownership; competition between enterprises of raw materials and semi-raw material industries, on the one hand, and machine building industries, including those with the participation of foreign investors, on the other; diversification of industries and (purposeful) programs of restructuring; and gradual shutdown of unproductive enterprises. [passage omitted]

Provision is made for transforming facilities, and, at the same time, forming a normative basis to restructure the machine-building complex in order for it to manufacture components for common use in industry, agriculture, and processing; and ensuring a rise in the volumes of enterprises' reconstruction, housing construction, and the social infrastructure. [passage omitted]

In view of Ukraine's economic, scientific, and technological potential, the needs of its population and the task of entering the world market, the following industries should be identified as a matter of priority at the first stage of restructuring: These are agriculture and the processing industry, the fuel and energy complex, industries making extensive use of science and capital construction, including housing construction.

Taking account of world competition and social orientation of consumer goods—I emphasize consumer goods—and food, agriculture, regardless of its forms of ownership, is heading for specialization and greater industrialization by way of developing the sphere of the agro-industrial complex, preserving, processing and selling produce, thus stimulating production in low-cost production regions.

To that end, the structure of agro-industrial production in Ukraine should be optimized.

At issue is a really complex and topical task. In particular, the structure of grain production should be revised, not only from the viewpoint of (requirement by) agro-industrial complex industries but also from the standpoint of its energy consumption. [passage omitted]

This task [optimization of agricultural production] is also important because agricultural production and rural areas in general—on the basis of the mentality of the people and the traditional system of family life—recreate the sources of the viability of society and the state, and improve the demographic situation.

This was addressed the other day at a meeting with the leadership of the city of Kiev, and the conclusion that is being made today by local authorities is that resolving the housing problem by the methods used before has no future. So, individual construction should be more widespread. To put it rudely, people should be sat on the land and given an opportunity themselves to resolve this problem.

The formation of energy policy comprises measures on energy saving and the wider-ranging use of renewable energy carrier sources. At issue is liberating the agro-industrial complex from its energy dependence primarily upon, indirectly, Russia.

The development of industries making extensive use of science is based on the experience of world trends,

Ukraine's achievements and possibilities, the state's strategy and scientific and technological policy being determined.

The development of general machine-building industries, adapted to world standards, is acquiring particular significance, of which I have already spoken. [passage omitted]

As for reforming ownership and privatization relations, the implementation of privatization must make provision for setting up a mixed economy in Ukraine, with the economy's state and nonstate sectors clearly delimited; legislatively distinguishing the state-owned industries and facilities forming the foundation of Ukraine's economy and economic security and not subject to privatization; safeguarding the interests of large and medium-size enterprises and protecting them from their ruination as integral property complexes; and privatizing social infrastructure enterprises and facilities, with their profile and jobs retained. [passage omitted]

Provision is made for regulating a mechanism for the workforce to exercise its priority to choose a form of privatization and ensure its implementation at the same time as ensuring the principle of all Ukrainian citizens' equal access to property; determining conditions for foreign capital to participate in privatization processes and the methodology of assessing the market value of facilities being privatized, with account taken of inflationary processes; the state mandatorily supervising the privatization of state property; legislatively determining a procedure of receiving earnings from privatization and ways of using them. [passage omitted]

Provision is also made for settling the issues of social security of those working at the facilities being privatized; improving the methods of assessment and control of the legitimacy of the privatization processes; a possibility of privatizing state and municipal property with the guaranteed use of all the privatization papers by the workers engaged in the budget-supported sphere, pensioners, youths, as well as compensation with the state property of the citizens' indexed deposits in the savings bank, with their consent; liquidating opportunities for corruption and uncontrolled privatization. [passage omitted]

The right to private ownership of land is granted by way of privatizing plots of land to be used as personal subsidiary farms or gardens, for individual housing construction or for the construction of garages, with the right of buying and selling the above plots of land. The right to private ownership of land is granted to the citizens of Ukraine only. Land can be provided to foreign legal and natural persons and to persons without citizenship for use only, including the use of land on conditions of a lease and, first and foremost, on conditions of a long lease.

Farmers use land for their production needs on condition of a long hereditary lease or under condition that the land will be sold to the state, as is being done in the majority of countries.

The right of citizens to housing is ensured through the privatization of the apartments belonging to the state housing fund and accelerated cooperative and individual construction of housing. [passage omitted]

As for the state regulation of economic processes, it, as a rule, has to do with price formation, the finance and credit policy, the taxation, credit, budget, currency, and wage policies, regulation of investments, scientific and technical policy, and foreign economic activity. Let us look at each of them in turn.

Pricing: The state policy is to stop the chaos in price formation, to take measures to stimulate [as heard] the price rise and achieve stabilization of prices, to remove distortions within the price system so that prices could become a stimulating regulator of production, registration and consumption of goods and services. The pricing policy must ensure support for an intersector pricing parity, particularly between agriculture and other sectors; and a close connection between prices and tariffs on the most important goods and services, on the one hand, and the level of the minimum pay and pensions, on the other. The regulation of prices for consumer goods should be effected through the margin of profit and the size of trade brokerage mark-ups, acknowledging the need to reduce superfluous brokerage operations and, probably, superfluous brokerage structures.

Financial, credit, and taxation policy: Reforming the taxation system in Ukraine must aim to stimulate the development of the national economy, increase the gross output, form a fully fledged budget, and settle social issues.

Profit, land, immovable property, and citizens' incomes should be liable to taxation. The tax rates should be substantiated. It is envisaged to improve the mechanism of the annual declaration of incomes by all the subjects of taxation, carry out strict control and step up responsibility for the fullness of the taxes paid by all the legal and natural persons.

Credit policy: Credit policy is to be aimed at creating favorable economic conditions for the effective use of the credit resources, the acceleration of the structural reorganization of the economy and its social orientation. [passage omitted]

The population's deposits should be index-linked in line with the actual rates of inflation. They could be further used as additional means for the privatization of property or returned on another basis, which is to be stipulated by law. At any rate, it seems to me the time has come to turn to using citizens' funds in deposits, which will act as deposit accounts. Otherwise, we will never be able to protect the citizens from a loss of their savings or restore their trust in the state.

Strict economic sanctions should be introduced for delays in payment for the products delivered, work performed, and services provided. A mechanism of control by the National Bank over the policy of interest rates should be worked out. Commercial banks should—in economic terms—be made more interested in crediting priority industries and the sphere of production by way of reducing

the rates of payments to the budget as taxes on their incomes from such crediting.

Separately, there is the issue of commercial banks in general. They are now in a state of anxiety, caused, on the one hand, by the uncertainty as to what the attitude of the legislature and authorities as a whole toward their fate will be, i.e. whether they will be somehow oppressed and so on; and, on the other, by the impossibility of investing the colossal monetary resources they are sitting on, because what is in fact happening is that they are looking to inflationary processes in expectation of another round of inflation so that money could then produce more money, which mechanism is now well-known to everybody.

Everything possible should be made to involve the credit resources, the possibilities of commercial banks in the production sphere, to make them finance production, provide people with jobs, ensure the profitability of production and therefore, consolidate and stabilize the finances in the state and the budget in particular.

We should set up special funds within the state budget to provide credits and finances for priority industries by means of state contract and state order, which above all concerns agricultural produce and raw materials; and increase state control and the responsibility of the National Bank and commercial banks to ensure that credits are used for the purpose intended. [passage omitted: Moroz emphasizing the need for the Supreme Council budgetary commission to establish greater control over credits to prevent their misuse]

Budgetary policy: In budgetary policy, the state's actions should be focused on rationally using budgetary funds, combined with stimulating a reduction in the deficit. Increasing the budget revenues should be based on an (effective) taxation and tax collection system at the same time as essentially reducing concessions in taxation and issuing state securities to cover the budget deficit etc. Decreasing budgetary expenditure must be achieved by reducing the cost of maintaining the state government apparatus, transferring many of its structures to the system of profit and loss management, stopping subsidies to loss-making—and I would like to emphasize loss-making through no fault of the state—enterprises and stopping financing capital investment in the production that has no future.

The use of social programs funds for the purpose intended and the correspondence of budgetary allocations to social norms should be monitored more closely.

Also, our foreign trade deficit should be eliminated and the state's debt reduced by stimulating export and optimizing import.

It is envisaged that the stability of the financial system will be improved through strictly delimiting the state and local budgets and the budgets of state enterprises. This can also be viewed as a way toward the regionalization of the economy.

Currency regulation: At the first stage it is necessary to set the exchange rate of the national currency in relation to hard currencies and to the ruble proceeding from the real purchasing capacity of the currency. I would only make one remark at this point. It is necessary to stop using the Russian ruble as an oil- ruble, because this will finally destroy our economy. This distorts the entire price policy and all economic relations as a whole.

It is necessary to regulate the circulation of foreign currencies on Ukraine's territory ensuring the exchange of currencies through banks and their representatives only, and this can be done immediately without waiting for any special conditions.

The system of registration and constant control over currency circulation should be sorted out, strengthening its normative and legislative basis and stimulating the use of currency for the purpose intended and ending the granting of concessions to enterprises in terms of their currency relations with the budget. A tax on earnings in currency or the sale of 100 percent of it should be introduced.

At present, 50 percent are sold at a fixed exchange rate and even through the mechanism of tenders—which seems to be necessary for the state as it has to control and concentrate currency—however, this undermines the interest of the commodity producers in export activities and, generally speaking, their earnings in currency only result in losses. I believe, this must be radically changed.

Forming the appropriate stabilization fund is a prerequisite of carrying out a monetary reform.

Wages and incomes policy: A state policy in the sphere of labor and wages will presuppose that the minimum wage at enterprises of all forms of ownership cannot be lower than the minimum subsistence level. We are not publishing any data on the consumer basket anywhere today because it will only confirm that we will not be able to provide anything for that basket. In the deputy prime minister's speech and questions yesterday [14 June], the opinion was voiced that it looked as though the economy was stabilizing. All earnings of citizens today, however, are in fact being used to procure food, which is the first sign of the population's total impoverishment.

Pay should be regulated by the state by way of developing recommended differentiated ratios between wage rates, salaries of the post, and certain additional payments, taking account of the conditions and complexity of labor affecting the cost price of products.

Bonuses and additional payments at enterprises of all forms of ownership are to be paid from the profit made without limitations, after the production funds, required by them, are formed. This must stimulate conscientious, inspired labor.

A mechanism of monthly index-linked wages and payments according to the level of inflation is being worked out. Conditions for a changeover to paying wages and salaries weekly are being prepared. Here, strictly speaking,

we are talking about the implementation of the law on index-linking wages that was already passed.

The tariff system of a directive nature is (becoming more widespread). It is regarded as a reference point for the intersector and interqualificational differentiation of pay, except, certainly, for the budget-supported sphere.

Investment policy: The main objective of the state's investment policy, at the first stage, is to channel resources to developing and setting up production, above all in priority industries, at enterprises manufacturing competitive goods, which would be needed by the consumer.

I would like to underline here that we previously, in the past months, made a mistake in concentrating on support for products that would be competitive on the external market. What we need to do is to focus our attention on protecting the producer supplying goods to the internal market. [passage omitted]

The main sources for financing city investment projects should be state, enterprises', and the people's funds. With the aim of stimulating investment activity, a mechanism of encouraging a mixed form of financing investments should be elaborated that would include foreign investments and they should be protected from inflation. The state, first and foremost, promotes foreign investments that are directed at manufacturing, construction, and agriculture. [passage omitted]

Scientific and technical policy. At the first stage the state should direct its efforts at overcoming the innovation inertia of enterprises. To do this it is necessary to considerably increase state support and improve the economic mechanism of managing scientific and technical progress in all stages. It is necessary to envisage the creation of an integrated system of stimulating innovation activity by corporate bodies. The financing of scientific programs should be carried out on a competitive basis. It is necessary to carry out an inventory of all of Ukraine's scientific potential, renew scientific schools in the main areas of science and technology. [passage omitted]

Foreign economic activity. With the aim of state regulation of foreign economic activity, it is necessary to regulate the system of control in the following areas: To ensure the timely receipt of hard currency earnings and payment of customs duties, taxes, and other payments that would benefit the state. It is necessary to guarantee state control over the quality of imported goods and that they comply with international standards. It is necessary to ensure that all corporate bodies fully abide by the hard currency regulation. It is necessary to stimulate an export hard currency policy and create a reliable mechanism for protecting and forming an internal market. It is necessary to argue for critical imports and to protect the domestic producer from imports that could be manufactured in Ukraine. [passage omitted]

Regulation in the sphere of consumption. The main criterion for the state regulation in the economy should be to raise the living standard of the people of Ukraine as well as to increase the population's consumption of goods and services. The main principles envisage defining the subsistence level based on the people's minimum necessary requirements and on the possibilities of fulfilling them in the present phase. The legally fixed minimum consumer budget is guaranteed by the state and is reviewed with the purpose of increasing it in accordance with the improving economic situation in Ukraine. The state guarantees the legislative regulation of protecting consumer rights, promotes the involvement of a broad mass of the public in carrying out public control over maintaining legislative demands with regard to prices, the range of products, their quality, and the terms on which they are offered for sale and so on. We are talking about control over the organization of imports so that we do not have the situation that we have today. I will not talk about this phenomenon.

The state's stimulation of increasing mass demand and consumption is an absolute precondition for raising production, successfully overcoming the crisis and laying the foundations of the principles of Ukraine's national economy. The strategy of legal policy with regard to stabilizing the development of Ukraine's economy is closely intertwined with these tasks and is precisely the subject of our activity. For this reason, I will dwell in greater detail on this section.

The legal policy in the formation of a new stage in Ukraine's statehood is based on the principles of its economic independence. Politically and legally it is fixed in the declaration of state sovereignty of Ukraine, which announced that the policy of the legal act was approved by the people at a referendum and cannot be abolished.

In spite of this, instead of introducing the necessary changes to the basic law of Ukraine in October 1990, a law on suspending the activity of 19 articles of the Constitution was adopted, Section II, Articles 16 and 17 with regard to the basics of Ukraine's economic system, the legal regime for forms of ownership, the constitutional guarantee of citizens on sources of their well-being through socially useful work, a planned economic and social development of society, forming Ukraine's state budget. [passage omitted]

The main aim for a strategy of legal policy is to guarantee state regulation of economic relations in the state sector, a parallel implementation of legal reform to formulate a mixed economy; the creation of a legal base for regulating the activity of various corporate entities that compete with each other and that have diverse forms of ownership, the consistent and legal guarantee of the state market regulation of the market with its social orientation. The realization of the strategy of the legal policy and carrying out reforms is directed at an effective use of actions, object economic laws in an optimal ratio of various forms of ownership and later the growth in production with a view to the stage-by-stage introduction of a mixed economy. In order to implement these stages it is envisaged:

To repeal the law on suspending the activity of Section 2, 16, and 17 of Ukraine's constitution and the corresponding introduction of changes and additions; to firmly strengthen the equality of all forms of ownership—state,

collective, private; to regulate legislation and to guarantee the accessibility of law-abiding acts; to improve adopted laws, to review first generation market legislation that cause discord in the market today; to complete the organizational and legal building; to form an institution of legislation and so on. [passage omitted]

The legal methods of ensuring stabilization of the development of the economy in Ukraine, it is necessary to adopt the following: Codifying economic legislation as one of the main ones with which to legally regulate the economy; liquidating the heritage of the administrative-command system, which is based on various instructions and legal acts; using agreements in various spheres of the economy and promoting socially useful entrepreneurship, and improving the structures of legislation and maintaining the hierarchy of legally binding acts, using contracts in various spheres of the economy and promoting socially useful business activity, and improving legislative structures. The key problem was building a model of a new constitution for Ukraine and the move away from the concept of the new constitution adopted in June 1992, and also abolishing the constitutional regulation of the economy on the part of the state, the establishment of democracy, the protection of human rights, free education, health-care, social guarantees, and the formation of economic conditions for the people's well-being. [passage omitted]

Apart from adopting a new constitution, it is expected to complete work on Ukraine's civil and criminal procedure, and trade codes, as well as on various other administrative codes and on the issue of the military and Ukraine's national defense. Particular attention should be paid to corporate bodies; the procedure for destatifying ownership, legislation on foreign investments; on privatization; on securities and the stock exchange; on banking activity; intellectual property on stimulation of production through taxation; assets funds; transport and customs legislation.

The carrying out of measures envisaged by this document envisions a sharp increase in the responsibility of officials who break the law.

A real fight against organized crime, corruption, and the shadow economy is envisaged. We are talking about a certain purge of the apparatus depending on the current demands and the specifics of the situation in the economy. It is time to renew state control for using state property, rationalizing privatization, and subordinating it to criteria of economic effectiveness. Increasing state discipline and bringing order to all spheres of social life does not necessarily mean increasing control over the actions of the Cabinet of Ministers. It should have the freedom of actions as defined by the law.

The Supreme Council together with the higher level executive structures should take upon themselves the responsibility for carrying out the stabilization of the economy and are obliged to speed up the creation of a system of legal instruments to adapt civilian and economic legal norms, the taxation and budgetary systems, state regulation, and supporting economic activity in order to legally guarantee a normal economic environment that would motivate productive work by all participants in the process of production, distribution, and consumption. This is the main content of the basic principles, which is being proposed for your attention. [passage omitted]

I would just like to stress one more thing. We, the Supreme Council, will use our constitutional right to confirm the candidate for the post of prime minister, which will be proposed by the president, and we should also proceed on the basis to what extent he agrees with such an economic policy. At the same time we should divide the responsibility for implementing this policy between the Cabinet of Ministers of Ukraine and the Supreme Council. I think that such an approach is also expected by the electorate because they do not divide the authority of deputies, members of the Cabinet of Ministers of Ukraine, and the president. You are in the constituencies and therefore, you are responsible for it. Thank you for your attention.

Ministry Estimates Hidden Unemployment at 2.5 Million

AU1606125094 Kiev HOLOS UKRAYINY in Ukrainian 15 Jun 94 p 4

[Unattributed report: "Unemployed on the Permission of Administration"]

[Text] At the beginning of June, 101,500 unemployed with the corresponding status were registered in Ukraine. This means that, over a five month period, their number has increased by 18,500 persons, and Ukraine feels confident to be among those European countries, which enjoy the lowest level of unemployment.

At the same time, the Ministry of Statistics maintains that about 2.5 million actually jobless citizens do not have official status and are on leave of absence on the permission of the administration.

'Idealists' Blame Jews for Situation in Crimea

AU1606195594 Lvov ZA VILNU UKRAYINU in Ukrainian 11 Jun 94 p 1

["Statement Adopted by the Meeting of the Organization of Ukraine's Idealists"; place and date not given: "They Do Not and Will Not Succeed"]

[Text] The situation in the Crimea was created artificially. It was instigated by secret "activists," who, by stirring up interethnic conflicts, in particular, between Russians and Ukrainians, are trying to accomplish their hidden plans. We know well who (at any rate, during World War II) dreamed about an "autonomous republic" in the Crimea. It would be an illusion to see the present situation on the peninsula outside the context of those dreams. To push the two great peoples—Ukrainians and Russians—into a confrontation and gain from that—these are the schemes of internationalists hiding the signboard of the Meshkov [Crimean president] quandary.

They do not and will not succeed.

Every Cossack, who arrived from Don, Kuban, or other places to give support to the president of cossack extraction, must know that he is fulfilling the role of that proletarian, who, in 1917, brought to power the Marxist-Leninist mafia, which then drew the peoples of the czarist empire into the terrible turmoil of self-destruction—terror, civil wars, famines, concentration camps, and the all-embracing economic and political devastation.

We call upon all the peoples of the world that are exploited by Jews [zhydy] to unite in the noble cause against the servants of the Devil and localize them in their national state—Israel. Let them show, to their full extent, the talents of the people chosen by God. We are convinced that, as soon as they get together in their own home, genuine brotherhood will prevail on our planet, and benevolence and peace will reign among all peoples.

The policy of Ukraine and Russia in the Crimean issue must be unambiguous: Not a single armed Ukrainian or Russian in the Crimean conflict.

Our slogan: "Free Ivan Demyanyuk, or Rid Ukraine of Jews!" helped release our fellow countryman from the Israeli prison where he had been tortured for seven years.

Our slogan: "Peace to the Ukrainian Crimea, or Rid Ukraine and Russia of Jews!" will caution the two Christian peoples against the confrontation, which will be pernicious for them, and which has been provoked by enemies of Christ.

Jews make a charming impression when they live in their national state and honestly and conscientiously earn their bread.

We call upon all clergymen of Ukraine and Russia to hold sermons for peace in the Crimea and pray to God so that He would instruct Jews to take care of Israel on their own territory and to pray for the triumph of a single holy United Apostle Church.

We call upon all political parties, public organizations, and all people of good will to hold rallies: "Peace for the Ukrainian Crimea! Away With Insidious Provocateurs!" "Down With Jewish Communo-Fascism!"

Let all states of the world cherish their national values, their national spirit, and moral traditions proceeding from the principles of humanism and good, and purify themselves from the international evil.

Mykhaylo Mankovskyy, chairman of the leadership of the Lvov Oblast Organization of Ukraine's Idealists.

Supreme Council Adopts Anticrisis Measures for Agriculture

LD1706131094 Kiev UNIAN in Ukrainian 1130 GMT 17 Jun 94

[Text] Kiev [No date as received]—A plenary meeting of Ukraine's Supreme Council today approved the resolution "On anticrisis measures in the agro-industrial complex," taking into account proposals by government officials, ministries, departments, and parliamentary commissions. The draft resolution included a provision for exemption from value added tax on fish, seed, and livestock products from 1 June 1994 for agricultural procurement and processing enterprises.

The Supreme Council also approved amendments to the law of Ukraine "On election of deputies and chairmen of village, township, rayon, town, city district, and oblast councils." The new law allows council chairmen to be elected on a noncompetitive basis. Following proposals from a number of deputies, parliament ruled that a council chairman is considered to be elected provided at least 25 percent of the electorate vote in his favor. A council deputy is considered to be elected provided he is voted for by at least 10 percent of the electorate.

Belarus

Agreement Reached With Russians on Arms Deliveries

LD1606193194 Moscow INTERFAX in English 1833 GMT 16 Jun 94

[Text] The mutual payments for delivered and repaired military equipment between the armed forces of Russia and Belarus will be performed at prices set for the two countries' own armies, Russian First Deputy Defense Minister Andrey Kokoshin told a news conference in Minsk Thursday [16 June].

He said that according to a protocol signed with Belarusian First Deputy Defense Minister Aleksandr Tushinskiy Thursday all contracts between the two countries' military enterprises will be concluded directly, without mediators. This will enable both countries to significantly reduce their military expenditures.

For his part, Tushinskiy pointed to the importance of the agreement to start bilateral consultations on the utilization of components of the fuel used for surface-to-air missiles and bombs. At present, Belarus lacks its own technologies and equipment for this, Tushinskiy said.

Representatives of the two countries' commands supported the creation of joint military enterprises and financial and industrial groups to manufacture a wide range of products.

Kebich on Union With Russia, Opponents

WS1506143094 Minsk Radio Minsk Network in Belarusian 0400 GMT 15 Jun 94

[Speech by Belarusian Prime Minister Vyachaslaw Kebich at the Kirov plant in Minsk; date not given—recorded]

[Excerpts] [Passage omitted] Unfortunately, the termination of political opposition between East and West did not make the world absolutely safe or stable. Differences and contradictions are currently beginning to appear between large and small states, those which have the potential for raw materials and those who depend on shipments of the latter [words indistinct]. In light of this, the nature of Belarusian conditions for reforming the economy is quite specific; it cannot be understood without taking into account the role of the Belarusian economy in the single economic complex of the former USSR. Under the conditions of a centrally administered planned economy, huge enterprises were concentrated on Belarusian soil, engaged in the processing of raw materials and semifinished products, as well as the manufacturing of end products. Those enterprises used to be linked with suppliers in all regions of the USSR within the framework of a single national system.

Then the collapse occurred and brought about a dramatic disruption in existing economic relations. As a result of this, the Belarusian economy found itself overnight in dire straits. Administrative levers have been, for the most part, lost, while the structure of market motivation has not yet been created. Unfortunately, economic reform, a need for which has matured in our society, actually turned into a curse word for many people, just as with the word perestroyka. Our numerous compatriots cannot psychologically accept reform, because who needs reform when it encroaches on the vital interests of the people? It is a well-known fact that territorial-ethnic conflicts on the territory of the former USSR, and not just conflicts but wars too, were primarily caused by the dramatic plunge in people's living standards. With regard to this, I would like to point out that certain politicians in our country, driven by unknown motives, are trying to transform economic reform into interstate conflicts and prevent natural civilized rapprochement between Belarus and Russia. As you know, ideological cliches—which are absolutely alien to Belarusians—are being used to block this process: Russia is depicted as an imperial state that is heading in a different direction. I want to state this with full responsibility: We have been carefully examining all new trends in the theory and practice of contemporary interstate economic relations. Yes, we, earlier than anybody else, assessed the so-called economic theories of our local opponents, who envision reorienting the Belarusian economy from the traditional union with Russia along the East-West axis, toward the allegedly new North-South axis, also called the Baltic-Black Sea belt. I would put it this way: The obsoleteness of this theory becomes evident given that as long ago as the turn of the 20th century the geopolitical senselessness of such views and their economic and political deficiency were proven, as well as the impossibility to implement this idea in light of the existing balance of forces in the world arena. Our economy's current problems and hardships were not caused by its internal incongruities, but rather by dependence on external factors. [passage omitted]

We were finally demonstrated who feeds whom. We once used to holler that all the republics feed Russia. We were shown the contrary quite fast. We were trying to (?discuss) the Orsha defeat [reference to victory of Lithuanian-Belarusian troops over Russia in the mid-16th century]; meanwhile, our gas and oil supplies were cut off. It was not in 1500 or so that we lost or won that battle; we lost the battle now, following the economic sanctions that had been used against us. Let us not forget this. [passage omitted]

Let us look at Europe, which has came close to creating the European Union in the form of a single state structure built on the basis of federalism. What do we see? We see the evident striving by European states to secure free movement of people, products, services, and capital. They have decided to adopt a common monetary unit, introduce single European citizenship, and (?form) the European Parliament. Thus, Europe, having lived through two world wars, has chosen a new path of development—one of economic and political integration. We are actually dealing with the formation of a powerful integrated structure of a single European state. Nobody says that the expansion of supranational powers among the European structures will in some way limit state sovereignty. I am quite positive that in the near future we will also come to realize the

prospects and actual advantages of the integration of the newly independent states, and find ways to achieve closer rapprochement. Otherwise, we will not survive. We will collapse. That is why I clearly state that as long as I am the head of the Belarusian Government, the latter will not change the course of integration with Russia, Ukraine, and other independent states. Yes, we support the economic union and the single ruble zone. The creation of supranational structures similar to the European Parliament may become a natural continuation of this process. At the same time, dear colleagues, I am not speaking about surrendering our Republic's sovereignty and independence. Simplicity and primitivism of such views on state construction, as represented by People's Deputy Lukashenka, are alien to me. The wheel of history can only roll forward and cannot be reversed. I will never, nor under any circumstances agree to surrender sovereignty and give up the state independence of Belarus. Never.

I am sure, however, that the union will be revived in a new form and Belarus will enter it as an independent, sovereign state. Speaking of preserving our sovereignty—for there is much criticism on this issue—I want to point out that it is easy and simple to declare sovereignty. State sovereignty, however, must be protected. Without protection there can be no sovereignty. I am more than positive that if today we are left without Russia, no matter who is at the helm, we will be thrown 10 to 15 years back into the past, or even face economic collapse. Believe me, we calculated these things both on computers and by other means—various options. Go to Europe? Who is admitted into Europe? Great Russia is not admitted into Europe! There are just promises and nothing but promises. All markets were divided long ago. Both oil and gas used in Europe come from Russia, and not from any other state. Shall we go to the West to buy Russian oil from middlemen at a higher price? No! We would rather look to the East. All products and raw materials will be supplied to Belarus duty-free. This will lower prices by 35 to 40 percent, lower productions costs, and retail prices, which swelled solely due to customs duties and not due to our inability to work. [passage omitted]

Russia's economy is sick, but it is not dead and buried. Many times in its history Russia has surprised the world with the power of its spirit, with its might, and always risen up from the ashes. This time, these processes are also beginning in Russia. We are facing difficulties, but let us not dash aside; history, future generations, our conscience, and dignity would never forgive us this. [passage omitted]

The Constitution adopted in March by our legislature preserved the vertical system of soviets. History has proven that this system corresponds to the national and political traditions of our people better than other variants. The history of the last two years has taught us what may come of neglecting those traditions. Workers and farmers have practically been pushed out of the soviets. Their voices cannot be heard there. They were replaced by photographers, archaeologists [reference to Popular Front Chairman Zyanon Paznyak], and Leopold cats with doctorate degrees [reference to former Supreme Soviet Chairman Shushkevich, who, like the cartoon character, often appealed for accord]. Whose interests these people represent, I do not have to explain to you. [passage omitted]

Why do Paznyak and Shushkevich so furiously attack our union with Russia, accusing me of everything short of national treason? Despite their mediocre organizing skills and total lack of economic and technological experience, they understand all too well that there will be no place for them on the political field of the Belarusian-Russian union. However the provincial [word indistinct] of one of them and the taste for cushy executive jobs of the other, urge them to engage in adventurist irrational activities. That is not a big deal. We, the people who grew up in plants and factories, have strong nerves. We will withstand both ridiculous political aspirations and primitive slanders. [passage omitted]

Kazakhstan

President Chairs Security Council Session

LD1606151494 Almaty Kazakh Radio Network in Kazakh 1400 GMT 16 Jun 94

[Text] A regular session of the Security Council was held today chaired by Nursultan Nazarbayev. Under discussion were the issues of provision of the armed forces of the Republic of Kazakhstan with weapons, material and technical resources, a concept for formation and implementation of long term defense program, and the development of the defense complex of the Republic of Kazakhstan. Minister of Defense Sagadat Nurmugamabetov and Minister of Economy Mark Urkimbayev addressed those present. The president of Kazakhstan summarized the results of the discussion. The Security Council endorsed the concept for the formation and use of long term defense programs and the development of defense complex. It also approved certain changes in its composition. In particular it approved Bulat Baykenov as its secretary.

Nazarbayev Visits Mangistay Oblast

LD1606153894 Almaty Kazakh Radio Network in Kazakh 1400 GMT 16 Jun 94

[Text] Nursultan Nazarbayev and Abish Kekilbayev have arrived in Mangistay Oblast. The same day, on Monday [13 June] afternoon, they had a meeting with representatives of different national cultural associations. They were briefed on the work, which is being carried out by them, and which is aimed at strengthening friendship and peace between representatives of different ethnic groups of the region. The head of state assured them that he will do everything so that peace, civil accord, and understanding prevailed in the area. Without this the republic would not be able to achieve success in its market reforms and raise the living standards of Kazakhstanis.

The next day Nazarbayev and the speaker of the parliament familiarized themselves with the work of the chemical and hydro-metallurgical works and the produce that it manufactures. This is the unique enterprises and it manufactures mineral fertilizers which are quite popular in the local market. The works have recently started the production of scandium which is in great demand both in the CIS and other foreign countries. It also intends to manufacture some other rare earth metals. The head of state stressed that their main task is to meet our country's needs in these produce and only then to think about selling surpluses to foreign partners. There are many orders from foreign partners at the moment.

Nazarbayev and Kekilbayev held a meeting at the works with leaders of industrial enterprises of Aktau and the region. The chairman of the council of directors Marabayev briefed them on the situation in the region and the problems that cannot be tackled on their own. In particular, he said that with all this oil and gas condensate, and other minerals that the region is extracting and making an essential contribution to the republican economy with, Mangistay still cannot create appropriate social and housing conditions for its citizens.

Nazarbayev promised his support in tackling these issues and at the same time he said that this depends mainly on the efforts and efficiency of the works. Mangistau is a sort of a nature monument with monuments from the paleolithic age up to the present day. No other region of the Republic can be compared to it. There are more than 20,000 archeological and architectural monuments. Each of them is extremely valuable. Some of them were visited by the leaders of the Republic. Nazarabyev noted that what has been created by our ancestors and by nature is irreplaceable. Therefore, no matter how difficult it is we should find resources to protect them and pass them over to the next generations.

Supreme Council Endorses Sembayev as National Bank Head

LD1606160494 Almaty Kazakh Radio Network in Kazakh 1400 GMT 16 Jun 94

[Text] The morning session of the Supreme Council today continued examination of a draft resolution by the Supreme Council on endorsing Sembayev as Chairman of the National Bank of the Republic of Kazakhstan in accordance with Nazarbayev's edict. Sembayev presented a program of the bank's work and answered questions from parliamentarians. Baymuratov and Sabdenov, chairmen of the Committees on Finance and Budget and Economic Reform, spoke about the views of the corresponding committees. After the discussion of the issue, the deputies endorsed the presidential edict. The session also ratified the agreement on deepening the integration of economic cooperation between Kazakhstan and the Russian Federation, and the agreement on cooperation in the sphere of copyright protection. At the suggestion of the chairman of the High Arbitrate Court the session endorsed arbitrate judges of certain regions. The next plenary session of the Supreme Council will take place on 21 June.

Kyrgyzstan

Prime Minister on Inflation, Foreign Investment

LD1606174694 Bishkek KYRGYZKABAR in Russian 1430 GMT 16 Jun 94

[Text] Bishkek, 16 Jun—"The som has strengthened its position," said Prime Minister Abbas Dzhumagulov in an interview with a KYRGYZKABAR correspondent. "Judge for yourself. The inflation rate in February this year was 16.9 percent and in June, 3.5 percent. The national currency has also stabilized. One dollar now costs not 12.35 soms as in February, but 11.4. In March-April, production became more brisk and the tendency could have been maintained had inflation slowed down, but [word indistinct] on all kinds of industrial goods over a month has decreased by 28 percent. All of the national economy's indicators have deteriorated. To improve the situation, we need investors from outside, and we are looking for them. I recently met Salem Ehasesom [name as

received], the representative of the World Bank. The topic under discussion was attracting investments to the mining industry. We have been told that the World Bank is looking for the funds to carry out a tender so as to finance geological surveys in this area. The problems are expected to be settled during a meeting in June in the U.S. city of Houston. We know that the donor countries, such as Norway, will render us consultative services not only for surveying oil fields, but also in elaborating the law on the use of nature.

"The Government of Kyrgyzstan is eager to render any kind of support to foreign entrepreneurs in surveying and developing gas and oil fields.

"The issue of investments will be the main topic on the agenda of the second meeting of the Japan-Kyrgyzstan economic commission, which is due to take place in November. I have the honor of being the chairman of this commission. We have prepared a number of projects for joint ventures with Japan in the food industry, for example, in the production of rice, baby food, silk, leather, and also in the mining industry. We should invigorate prospecting for oil and gas. Kyrgyzstan will give an advantage to those companies who have experience in developing oil and gas fields. He also said [as received] that in the near future we intend to open a free economic zone centered in Tokmak, near the capital.

"We can only add here that over one month, the money income of the population has decreased by 3 percent and spendings and savings have increased by 12.9 percent. In reality, accumulations have been minimal. In January-May, the savings bank of the Republic has attracted 5-percent less in savings than during the same period last year.

"There has also been a slowdown in business activities. For example, a number of commodity and raw materials exchanges has decreased twofold. More than 60 percent of their turnover comes from the machine-building industry, diesel fuel, and timber.

"In a nutshell, inflation has been brought to a minimum, but we have not yet started the structural transformations in industry. The Republic is awaiting a large Western credit, but it has not created conditions for invigorating investment activity."

Kyrgyz Soldiers May Keep Peace on Abkhaz-Georgian Border

LD1606155994 Moscow Mayak Radio Network in Russian 1230 GMT 16 Jun 94

[Text] It is quite probable that in the near future the Defense Ministry of Kirghizia [Kyrgyzstan] will embark on the formation of another subunit forming part of the CIS peacemaking forces. As an RIA correspondent has been informed, it is envisaged that Kirghiz servicemen will defend the interests of the Commonwealth on the mobile [podvizhnaya] border between Georgia and Abkhazia. This was occasioned by the agreement between Russia and Georgia on introduction of Russian peacemaking forces.

Tajikistan

Inter-Tajik Talks Conducted in 'Difficult Situation'

LD1606161794 Moscow INTERFAX in English 1353 GMT 16 Jun 94

[Text] The Inter-Tajik negotiations will be conducted in a difficult situation due to a wave of terroristic acts which have been conducted by the armed opposition in the Republic, believes leader of the governmental delegation Shukurjon Zuhurov, Tajikistan's Labor and Employment Minister.

In an interview with INTERFAX Thursday [16 June] he said that Dushanbe hopes for a favorable outcome of the next round of negotiations with the opposition which was started on 18 June in Teheran. Zuhurov said the governmental delegation intends to discuss three packages of issues at the negotiations—on peaceful settlement of the political situation in the Republic, complete return of refugees, and on the constitutional system and consolidation of the state.

According to Zuhurov, the issues related to the return of refugees are already at the stage "of active implementation" in accordance with the agreements reached at the first round of the negotiations on 5-19 April in Moscow. Zuhurov reported that as many as 3,500 refugees from Afghanistan and about 10,000 people from CIS countries have returned over this period of time. An official commission to render aid and assistance to the forced migrants and refugees has started its work in Moscow to help them to return to their homeland. It consists both of representatives of Dushanbe and the Tajik opposition.

The governmental delegation is due to fly to Tehran on 17 June.

India Interested in Tajik Dialogue on Reconciliation

LD1706091894 Moscow ITAR-TASS World Service in Russian 0422 GMT 17 Jun 94

[Report by ITAR-TASS correspondent Leonid Kotov]

[Text] Delhi, 17 June—India is seriously interested in a dialogue between the Government of Tajikistan and opposition groupings on national reconciliation, which is being conducted at the United Nation's initiative. However, the Indian Government has decided to leave open the issue of its participation alongside with Pakistan and Iran as an observer at these talks, a regular round of which will take place in Islamabad soon.

Salman Khurshid, Indian minister of state for external affairs, stated this position of the Republic during his visit to Tajikistan, Kazakhstan, and Kyrgyzstan. An ITAR-TASS correspondent was informed by sources in the Indian Ministry of External Affairs that the minister of state informed Prime Minister P. V. Narasimha Rao in detail about the results of his talks with the leaders of the

central Asian countries and in particular about the situation on the Tajik-Afghan border. In the opinion of sources at the Indian Ministry of External Affairs, the situation on the border between Tajikistan and Afghanistan will be discussed during the upcoming visit of the head of the Indian government to the Russian Federation 29 June-2 July.

India intends to maintain close contacts with all the participants in the inter-Tajik through its embassy in Dushanbe talks because it is very concerned about the situation on the border between Tajikistan and Afghanistan. In New Delhi's opinion, it influences the situation in the entire region and can affect India's security, which is anxious that the conflict in Tajikistan not become threatening and not become a repeat of the bloody Afghan war.

Nevertheless, representatives of the Republic's Ministry of External Affairs stressed that India's official participation in the talks between the Tajik Government and opposition as an observer is deemed inexpedient as such a precedent may lead to Pakistan intensifying its demands to be included in possible talks between the Indian Government and Muslim political groupings on normalizing the situation in Jammu and Kashmir.

Uzbekistan

South Korea Grants $45 Million 'Favorable' Credit

LD1606175594 Moscow INTERFAX in English 1609 GMT 16 Jun 94

[Text] South Korea has given Uzbekistan $45 million as an inter-state earmarked favorable credit.

The credit is issued for a term of 10 to 15 years at an annual interest rate of 1.5-3.5 percent, the exact terms for its repayment are being currently worked out.

The credit will be used to modernize four industrial plants to be used for the production of components for Uzbekistan's first-ever automobile assembly plant in Asaka, the Andizhan district. The plant is being built together with the DAEWOO company, of South Korea.

The plant's first unit will go in operation in the first quarter of 1996. The automobile is expected to meet the demand for inexpensive cars in Uzbekistan as well as throughout all of Central Asia.

New National Currency To Be Introduced 1 Jul

LD1606204294 Moscow ITAR-TASS World Service in Russian 1005 GMT 16 Jun 94

[Report by ITAR-TASS correspondent Vilor Niyazmatov]

[Text] Tashkent, 16 Jun—Our national currency will still further strengthen Uzbekistan's independence, President Islam Karimov stated at today's sitting of the presidium of the Supreme Council and Cabinet of Ministers, which discussed the introduction into circulation from 1 July this year of Uzbekistan's own first ever national currency—the sum.

It is expected that the intermediate currency at present in circulation—the sum coupons—will be exchanged at the rate of 1,000 sum coupons to one sum.

The national currency of the Republic of Uzbekistan—the sum—is being issued into cash and monetary circulation in the form of bank notes of the Central Bank of Uzbekistan in denominations of 1, 3, 5, 10, 25, 50, and 100 sums and metal coins with the value of 1, 3, 5, 10, 20, and 50 (?tiyins).

Therefore, from 1 July this year the sum will be the sole legal means of payment in the territory of the Republic of Uzbekistan.

Along with the national currency the sum, freely convertible currency is permitted to be used in the stipulated way as a means of payment in the territory of the Republic of Uzbekistan.

Karimov Comments on Currency

LD1706104494 Tashkent Radio Tashkent Network in Uzbek 0215 GMT 17 Jun 94

[Text] On 16 June in Tashkent a joint sitting of the Cabinet of Ministers and the Supreme Soviet of the Republic was held. It was chaired by Uzbek President Islam Karimov. The introduction of the national currency, replenishing the home consumer market with necessary goods, strengthening the export potential of the enterprises in the Republic, and the new system of state and social protection of families with children were discussed. The president said the main prerequisite for establishing an independent state, providing for the welfare and [word indistinct] of the people is the creation of a highly developed and independent economy. The main aim of the current economic reforms being carried out in the Republic is directed at this. An independent economy requires that the country has its own currency with a high purchasing power and credibility.

The national currency, like the flag, the hymn, and the constitution, is one of the symbols of the state and the people and is a sacred symbol of independence. We prepared ourselves a long time ago for introducing the unit of national currency. Our specialists carefully studied the experiences of foreign countries and CIS countries in this field. During the first phase the sum-coupons will be circulated along with this national currency, and we have gained sufficient experience in this area and carried out necessary checks. With the help of an intermediate currency we tackled a number of financial tasks, and now the time has come for the full national currency, said the president. It is well known that one cannot fulfill great aims only with the introduction of a new currency. It is, therefore, necessary to start preparing now for increasing the purchasing power of our currency and provide it with credibility at world standards. This demands that we replenish the consumer market and ensure the priority of

exports over imports. This requires sharp increases abroad in the sale of goods produced in the Republic. A mechanism for a finance and credit policy in the country, reliable social protection for the needy, particularly families with children, is necessary for the country.

At the session Mullojonov, chairman of the directorate of the Central Bank; Deputy Prime Ministers Usmonv and Sultanov; and [name indistinct], first deputy minister for labor, talked about the issues in question. The order and time of transfer to the national currency, the government measures to be taken in relation to this, the new structure of the state, and social protection of families with children were discussed in detail. There is an old saying that the humanity of any state and the spirit of the community comes from respect for women and children, said the president. Improving the structure of the social protection of families with children, aimed at their material support, is of great importance. In essence, a child up to 16 years old will be under the care of the state. The budget's contributions to this will be increased many fold.

In conclusion, the president noted that independent Uzbekistan is on verge of a taking a great step. We are taking another big step on the path to economic independence and will have our own currency. This is also a great step. We should fully understand that our national currency is like a newborn child of which we should be proud and at the same time take good care of it and protect it. We all must work for increasing the value and the purchasing power of our sum. Prime Minister Mutalov; Bugrov, deputy chairman of the Supreme Soviet; chairmen of the committees of the Supreme Soviet; and deputy prime ministers and heads of corresponding ministries, departments, organizations, and banking institutions participated in this session.

Officials Discuss Surkhandarya Oblast's Shortcomings

LD1706103194 Tashkent Radio Tashkent Network in Uzbek 0215 GMT 17 Jun 94

[Text] A meeting was held in the Surkhandarya oblast mayor's office [hakimiyat] devoted to the results of the check carried out by the special commission for increasing the pace of reforms in agriculture and also supervision of the implementation of the president's decrees and the government's decisions on this question. It was chaired by Jurabekov, first deputy prime minister of the republic and chairman of this commission.

Reports by Nuraliyev, mayor [hakim] of the oblast and the mayors of the neighboring rayons were heard. Measures for quickly overcoming the serious shortcomings, discovered by the commission, which emerged during implementation of the reforms in agriculture, privatization, and providing farmers with all-round support were defined.

Armenia

Azerbaijan Accused of Violating International Agreements

NC1606151494 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0626 GMT 16 Jun 94

[Text] Stepanakert ("LRAGIR" daily), 06/16/94—The RMK [Republic of Mountainous Karabakh] military experts believe, despite several defeats in winter and spring, Azerbaijan still has a significant attack potential, and keeps expansive intentions.

Attempting to defeat the RMK at any price, Azerbaijan violates the international agreements it has signed. Particularly, based on the agreement on normal [conventional] armaments in Europe, this country was only allowed to have 220 tanks. Nevertheless, according to the RMK military reconnaissance, the Azeri army has long exceeded the allowed limits. In parallel with this, based on Aliyev's special order, a number of large enterprises in Azerbaijan are producing and modernizing weaponry.

"All these alarming military preparations, as well as fast militarization of the economy are originating from the all-Turkish idea of creating a Great Azerbaijan," declared Deputy Commander in Chief of the RMK defense army Murad Petrosyan. "This country has territorial claims to, in fact, all neighboring countries and particularly for the Bolnisi and Marneuli districts of Georgia, southern districts of Dagestan, northern regions of Iran and Zangezur district of Armenia. The RMK has become the first target of the Azeri hegemonists, who receive military-political support of Turkey".

On Petrosyan's opinion not only the future of the RMK people, but fortunes of a number of countries in Close East and Transcaucasia depend on the results of the Karabakh-Azerbaijan war.

Russian Embassy Responds on Stupishin

944K1467A Yerevan RESPUBLIKA ARMENIYA in Russian 11 Jun 94 p 1

[Report by the Russian Federation Embassy Press Service in Armenia: "Declaration of the Russian Federation Embassy in Armenia"]

[Text] Articles of anti-Russian orientation have recently been published on the pages of certain local newspapers. These articles are clearly written by a foreign author.

We know that he who pays the piper calls the tune.

It would be possible not to pay attention to this were it not for the fact that hidden behind these published materials, which in a number of instances bear the nature of personal attacks against the Russian ambassador to Armenia, are the coordinated actions of certain forces that are pursuing the objective of slandering the foreign policy of Russia with respect to countries of the near abroad.

Clearly it is no accident that the appearance of such articles coincides time-wise with the shift beginning to be seen in the Karabakh settlement, achieved to a great extent thanks to the active peacemaking efforts of Russia and the interparliamentary assembly of the CIS.

Russia does not dictate its will to the sovereign republics of the former USSR, does not interfere in their internal affairs, does not seek any advantage from the difficulties they have to endure, and does not impose on its friends. Such policy is alien to Russia.

Russia is interested in peace and stability along its borders and in the regions adjacent to it, so as to give its undivided attention to accomplishing its own internal political, economic, and other tasks.

There can be no doubt but that all the attempts of enemies and those pretending to be Russia's friends to impede the development of Russian-Armenian relations, which are on the rise, and to sow seeds of mistrust between Armenia and Russia are doomed to failure.

Azerbaijan

Unrest Reported in Kuzarskiy Region

NC1606184994 Baku TURAN in English 1718 GMT 16 Jun 94

[Text] Baku (June 16) TURAN—Yesterday after noon there was a rally of peoples of Lezghin nationality in front of the building of the Mayor of the Kusarskiy region, the northern region of Azerbaijan. The participants of the rally demanded recall of Lezghin soldiers from the conflict zone and appointment of Lezghins to all the posts in the Kusarskiy region. The rally involved approximately 1,000 people.

The administrative bodies of the Kusarskiy region explained the reason of the rally. On June 14 seven policemen left for the village of Piral in the Kusarskiy region to take the persons escaping from military service to military registration and enlistment office. At the outskirts of the village a group of persons headed by the employee of Daghestan's Ministry of Internal Affairs Mirzabekov committed an assault on the policemen.

Trying to defend himself, one policemen fired at those assaulted. As a result of this incident one assaulted person was killed. The policemen were seriously injured, two of them are in very bad condition. Mirzabekov is arrested.

It should be noted that the participants of the incident, the policemen as well as those assaulted, were Lezghins.

The State Commission headed by Vice-Premier, Abbas Abbasov, is created due to the incident, which took place yesterday in the Kusarskiy region. The Commission will be engaged in investigation of the reasons of the incident. Yesterday the Commission left for the Kusarskiy region.

The member of Milli Mejlis Asiya Manafov told Turan agency today that situation in Kusarskiy region is under control of authority.

Armenian Offer for Border Security, Trade Rejected

NC1606193194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 16 Jun 94

[Text] A meeting took place on Sadarak Rayon's border on 14 June between Namik Gasanov, chairman of Nakhichevan Autonomous Republic Supreme Mejlis, and two representatives of the Armenian Republic: Shakhnazaryan, the Armenian president's plenipotentiary representative; and Arutyunyan, chief border guards commissar. An agreement was reached during the two-hour-long meeting to maintain peace on the border.

It is being stated in connection with the Armenian side's proposal to open a joint trade center on the border that this is not possible between countries at war and when a part of our territory is under occupation.

Laws on Exit-Entry, Identity Cards Approved

MK1606121094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Jun 94 p 3

[Unattributed report under the "NEGA Reports" rubric]

[Text] The republic's parliament has approved two draft laws on entering and exiting the country, and on identity cards for citizens of Azerbaijan. Under the "entry and exit" law, exit is restricted for those convicted of crimes, under investigation, or drafted for military service, as well as for persons under obligations not to divulge state secrets. Three types of external passports have been approved: civilian, service, and diplomatic. The law on identity cards for citizens of the republic calls for two types of identity cards: for those under 16, and for those past that age. The plastic cards will include the name in full, nationality, age, marital status, eligibility for military service, and a photograph. All the information on the cards will be put in a unified bank of data about the country's citizens open for use by the republic's Ministry of Internal Affairs, Ministry of National Security, and Ministry of Foreign Affairs. The introduction of identity cards will be financed from the budget at a total cost of nearly six million manats. All passports of the former USSR are supposed to be replaced by identity cards before the end of 1996.

Interview with Geydar Aliyev

LD1606132994 Moscow INTERFAX in English 1124 GMT 16 Jun 94

[Interview with President Geydar Aliyev by unidentified INTERFAX correspondent—place and date not given; "Exclusive" report No. 24]

[Text] INTERFAX: The first question is about the political situation in Azerbaijan. The removal of two leaders of the Popular Front from the National Assembly has been regarded by the opposition as the president's blow against democracy. How true is that?

Aliyev: Not at all. There is no threat to democracy in Azerbaijan. The country has 43 registered political parties. It publishes scores of newspapers and only one of them "AZERBAIJAN" is official, it is a newspaper of the parliament and carries official documents.

Even the Popular Front functions normally despite all the unlawful, anti-government actions of some of its members. When it launches a campaign based on mildly speaking unconfirmed facts, official bodies only warn it.

That is what happened when the Popular Front attacked the Bishkek protocol. (The protocol signed in Kyrgyzstan on the separation of forces in Nagorno-Karabakh with the help of an international force. - IF) Supporters of the Popular Front are invited to settle all their problems in parliament. I must say that they do not always heed such suggestions.

As for the dropping of two Front members from parliament, it is quite normal. At the end of 1990 Azerbaijan elected a 350 seat parliament. Later when the Popular Front fought against the Communist leadership it forced Communists to make concessions and set up a 50 member National Assembly in which 25 members represented the Popular Front and the rest were Communists.

When Ayaz Mutalibov (the Azeri Communist leader -IF) was removed from power and the Popular Front governed the country, it denied all deputies not belonging to the National Assembly the possibility to perform their duties. Some tried to collect signatures under protest petitions, but the Popular Front stopped these efforts even though that was a crying violation of the rights of deputies. When the National Assembly was formed, the rotation of its members was implied. Now this right was exercised: two members were dropped from the National Assembly and replaced by two other deputies. Still like others they remain full-fledged deputies.

INTERFAX: But they have no rights.

Aliyev: That is not quite so. They did not have any rights. But when I was elected the chairman of the Supreme Soviet, I announced that all deputies have the right to attend sessions of the National Assembly. Earlier they were not allowed to do that.

INTERFAX: The restrictions on the freedom of speech and the press in Azerbaijan are often criticized by the media in CIS countries.

Aliyev: Newspapers in Azerbaijan are published regularly. As I said "AZERBAIJAN" carrying official documents is the only government newspaper. Such newspapers as "BAKINSKIY RABOCHY" which used to be a newspaper of the Central Committee of the Communist Party, "KOMMUNIST" now called "VYSHKA" and "BAKU" are now independent. I want to emphasize that the State Council does not try impose its ideas on journalists.

INTERFAX: You said the deputies dismissed from the National Assembly keep their rights, is that true?

Aliyev: Yes, they do. When I was elected the chairman of the Supreme Soviet I announced that all deputies have the right to attend sessions of the National Assembly, but I failed to cancel an earlier decision denying them the right to vote.

Later I started inviting uninvolved deputies to parliamentary committees. A normal parliament should have at least ten or twelve committees, but if there are only 50 persons and some of them might fall ill, committees would consists of three or four people. Could they be called parliamentary committees?

Thus I think I managed to somewhat raise the standard of democracy in the country. Therefore I think that the replacement of two deputies by way of rotation is quite normal. Besides, I see no reason why such matters should be linked with my name—it is a parliamentary affair.

INTERFAX: In other words you want to say you have nothing to do with the change of the deputies?

Aliyev: Absolutely nothing. By the way, I learned about it only at the end of the day and was quite surprised. I think the racket around my name in this context is necessary only for opposition parties as a pretext for aggravating the situation.

INTERFAX: Azerbaijan now has a Supreme Soviet and the National Assembly. This two-tier system of elected bodies resembles the last years of the USSR: the Congress of People's Deputies, the Supreme Soviet. Don't you think Azerbaijan needs new parliamentary elections?

Aliyev: I do. Firstly, because the parliament was elected under the Communist regime. You know my attitude to the Communist Party: I officially left it. Secondly, the Supreme Soviet was artificially squeezed by an arbitrary decision of the Popular Front that was working toward its own goals. By the way, there is no clause in our constitution allowing such decisions. Neither is there such a provision in other former Soviet republics. Still from the legal viewpoint there is a year left till the next elections.

It should also be remembered that 20 percent of Azeri territory is occupied (by the armed forces of Nagorno-Karabakh and Armenia, according to Baku's interpretation - IF). There are about one million refugees in the country. There is a war. Thank God, we have brought about a cease-fire, but minor exchanges of fire continue. In these conditions, I think, elections must not be held.

However, as president I am convinced that the country needs a new parliament democratically elected by the people. It is not so important whether it will have 100 or 200 members. The main thing is that it should be professional and permanently functioning.

INTERFAX: Do you think elections are possible only after the restoration of peace and with the participation of Karabakh?

Aliyev: Karabakh is part of Azerbaijan, therefore its participation in the elections is necessary. In reality, though, it is difficult to expect people of Nagorno-Karabakh to be able to cast their ballots in the near future, even though the election law has been worked out.

INTERFAX: There is an opinion that now that the war is under way, the parliament is blocking the transition to presidential rule which would make the country more controllable. What do you think of that?

Aliyev: I must say that I have heard such proposals from the public. It was suggested, for example, that the president declare martial law, introduce a curfew in certain regions. But I did not agree to that because such steps would restrict certain democratic rights and orders proclaimed by me. My main objective is to strengthen democracy in Azerbaijan.

INTERFAX: Another question in this context: a coalition government and the approval of a new constitution. There is much talk on the subject now in Azerbaijan.

Aliyev: The two matters are interconnected. Can the present parliament which is actually crippled adopt a new constitution? I think a new constitution is necessary. As president I could suggest my own version of the fundamental law and submit it for a nationwide debate and have it approved through a referendum. But that would also require a parliament.

Besides, ill-wishers would interpret that as an attempt by Aliyev to grab all power. Still I believe the adoption of the constitution is a prerogative of parliament while the president can only submit proposals and drafts.

I would want to repeat, though, that the country needs a new constitution as we now live according to a constitution approved in 1978 by the Soviet Socialist Republic of Azerbaijan, not an independent state.

As for a coalition government, it is out of the question. What right do the Popular Front and other opposition groups have to join the cabinet? The country has a popularly elected president who in keeping with the law appoints ministers.

INTERFAX: Do you as president feel that your orders are being carried out, that you are in control unlike your predecessors?

Aliyev: There are no doubts that I have the power and it is also clear that I can use it.

There is another thing I would want to say. When in June 1991 in Moscow I announced my resignation from the Communist Party and returned to Baku, life there was made unbearable for me: the local authorities ostracized me. A commission was set up to look into my past activities etc.

Then I went to Nakhichevan where the situation changed after the August coup attempt in Moscow: the regional party committee was closed. I was a member of the local parliament then. It was in session for two days to elect a new chairman. Over 60,000 people rallied in the town and did not disperse for two days demanding that I come to parliament and lead it. I assumed the responsibility.

In those days Mutalibov still worked in Baku and he set the date for presidential elections for September 8. I said in parliament that the elections should be postponed because Mutalibov is not worthy of the post and is responsible for the developments in January 1990 and supported the coup leaders in Moscow. Besides, he was the only candidate. Mutalibov sent troops to Nakhichevan, but the people supported me.

After Mutalibov's resignation the public demanded my return to Baku: I was nominated candidate to the post of speaker of parliament. However, I turned the proposal down. A member of the Popular Front was elected speaker and Abulfaz Elchibei president.

After a time these persons started pressuring me, but the people saved me again. However, in Nakhichevan I remained in isolation.

Finally after the tragic developments last June when the country was practically in the state of civil war the speaker of parliament, prime-minister and president persuaded me to come to Baku. I refused for a long time, but finally agreed. I want to say that I returned not because I wanted that—I did not fight for power at all—the course of developments brought me to presidency.

Besides, after becoming the head of state I left old officials in my office, members of the Popular Front, even though some of them sabotage my decisions. This is a fact.

Nevertheless I believe that my power is so strong that I can bear all that for the sake of keeping the principles of democracy.

INTERFAX: Now let us switch to the complicated question of Karabakh. Negotiations now continue with the mediation of a special envoy of the Russian president V.Kazimirov. Has there been any progress?

Aliyev: I would not want to disclose the matter yet. In general terms I can say that I want an end to war and a peaceful settlement of the Karabakh question. The war will not be victorious for either Armenia, or Azerbaijan.

But the question should be settled on a fair basis, on the basis of the sovereignty, territorial integrity and inviolability of Azerbaijan.

In this context I would want to say that the CSCE Minsk group for Karabakh has done little to settle the conflict, even though I find the involvement of the international organizations in the process necessary. Russia is a member of the Minsk group but it also makes its own efforts to stop the war.

INTERFAX: What is your attitude to the sending of a separating force to the conflict zone?

Aliyev: We cannot do without it, but it should act under the auspices of the CSCE.

INTERFAX: But can Russian troops be its part?

Aliyev: They can, but with a mandate of the CSCE, not as a purely Russian army.

INTERFAX: Wouldn't you want to invite for talks the leaders of Karabakh regardless of Armenia? In that way it would probably be easier to agree...

Aliyev: I have many plans to this end. Probably, some of them will materialize.

INTERFAX: There is an opinion that the problem of Karabakh could be resolved through an exchange of territories with Armenia. How realistic would that be?

Aliyev: That is not a new idea, it is very old. In the past the late Andrey Sakharov came out with it. I was outside of political life then. It is hard to tell now how suitable the idea is. If the question arises again, it can be discussed.

INTERFAX: Our readers are quite interested in your attitude to relations with Russia.

Aliyev: I have nothing to complain about. For a time relations between Azerbaijan and Russia were quite cold and Baku was to blame for that. I felt that when I worked in Nakhichevan. My attitude to such a stance of the Azeri leadership was generally negative. Therefore when I was elected the chairman of the Supreme Soviet, in my very first speech I declared that the improvement of relations with Russia is one of the key tasks.

However, it was not easy for me to reach this aim. Once the Azeri parliament even blocked the question of the country's membership in the CIS.

I cannot say that the CIS is an organization that fully stands for its name: I felt that having attended three summits of the Commonwealth. Can it be normal that countries belonging to one association are in a state of war like Azerbaijan and Armenia? I suggested discussing the matter separately at a conference of CIS members, however, others evaded the matter. Therefore I cannot describe the efforts of the Commonwealth as satisfactory, still I am convinced that the organization is necessary.

INTERFAX: What are the priorities of Azerbaijan in foreign policy?

Aliyev: I am convinced that Azerbaijan should have equal, mutually-beneficial relations with all countries, primarily with its neighbors, of course. In the recent past Baku, and that is because of the country's leadership, had strained relations with our southern neighbor Iran with which we have a long frontier. Besides, many Azeris live there. I took steps to correct the mistake. Now relations between Azerbaijan and Iran are developing normally.

Speaking of relations with the West I want to say that I find them very important too. That is why I visited the NATO headquarters in Brussels and on April 4 signed the Partnership for Peace program. Firstly, it brings Azerbaijan closer to the Western world. Secondly, it creates conditions for more successful economic cooperation with countries of the North Atlantic Treaty.

INTERFAX: And the last question: how do you feel?

Aliyev: Very well. People surrounding me are much younger, but they find it hard to keep up with the pace of my work. That is what I can say.

Georgia

Patsatsia, Abdulatipov on Russian-Georgian Relations

LD1706034594 Moscow ITAR-TASS World Service in Russian 2245 GMT 16 Jun 94

[By ITAR-TASS special correspondents Andrey Krasnoshchekov and Konstantin Oribytkov]

[Text] Crans-Montana (Switzerland), 17 Jun—The deployment of CIS peace-keeping forces in the Georgian-Abkhazian conflict zone is an important step along the path towards a comprehensive settlement of the conflict. This was stated in an exclusive interview to the ITAR-TASS correspondent by Georgian Prime Minister Otar Patsatsia. He is heading Georgia's delegation at the international forum devoted to the problems of East-West relations which started here on Thursday.

"We regard this action with hope," the head of the Georgian Government noted, "and think that it should not be restricted solely to the bounds of Gali Rayon." He called the results of the visit to Georgia by Russian Federation Defense Minister Pavel Grachev "encouraging," having stressed that "common approaches were achieved which allowed a number of agreements to be signed." "In relations with Russia," O.Patsatsia said, "we are returning to what it ought to be—to friendship. We cannot get away from that."

At the same time, it is necessary to continue the active quests for ways of attaining a peaceful political settlement to the conflict, the prime minister pointed out, having admitted that "this process will be a lengthy and delicate one." In Crans-Montana he intends to discuss this issue with (Eduard Brunner), the special representative of the UN secretary general.

Commenting, at the request of ITAR-TASS, on the stand taken by the Georgian prime minister, Ramazan Abdulatipov, deputy chairman of the Federation Council of the Russian Federation, who is head of the delegation at the Crans-Montana forum, noted: "This is not the first time we have been able to see for ourselves that Georgia's progress, the prospects for development that are opening up before her are directly linked with Russia. There is no other way. Russia has saved Georgia from internal division and outside threat more than once, and therefore orientation on Russia corresponds to the interests of Georgia." This is also important for Russia, he continued, since any destabilization in this region has a direct effect on us too. It is sufficient to recall that approximately 100,000 refugees from Abkhazia and South Ossetia have been forced to seek refuge on the territory of Russia. R. Abdulatipov spoke out in support of the decision of Russian Federation President Boris Yeltsin to deploy peace-keeping forces in the Georgian-Abkhazian conflict zone and expressed the hope that, in discussing this issue on 21 June, the Federation Council would also express itself in favor of this measure.

In the opinion of the deputy chairman of the Federation Council, "Russia is not interested in servicemen from other states taking part in the peace-keeping forces since it is a question of the zone of her national interests." The interference of any other forces, he thinks, will not promote stability in the region. "For the moment I can only remind you that it is largely thanks to the Russian peacekeeping forces that they have practically managed to put an end to the war in South Ossetia, and thanks to Russian soldiers and officers peace is being maintained there and the situation is gradually getting back to normal," R. Abdulatipov pointed out.

Defense Ministry on Delay in Russian Deployment

LD1606204794 Tbilisi CONTACT INFORMATION AGENCY in Russian 1600 GMT 16 Jun 94

[Text] The Georgian Defense Ministry press service has circulated a report stating that, in accordance with a plan agreed upon at the Abkhaz-Georgian Moscow negotiations, the deployment of Russian troops in the conflict zone was intended to begin on 17 June and be completed on 19 June.

However, because of curt statements made by some representatives of the parliamentary opposition, urging that the implementation of the mission by a Russian peacekeeping contingent should not take place, the stationing of troops in the conflict zone may presumably be postponed for an indefinite period.

Russian Troops, Black Sea Fleet Hold War Games

LD1706100294 Moscow ITAR-TASS in English 0936 GMT 17 Jun 94

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi June 17 TASS—The Russian army group in Transcaucasia is holding a tactical military exercise on a regimental scale on a Black Sea coast near Batumi, Adjaria, on Friday. The aim of the exercise is to improve actions to rebuff an enemy landing party.

Marines are landing from Black Sea Fleet ships and helicopters, simulating air and artillery strikes, while defenders will hold out under the onslaught of superior enemy forces and defeat them.

President Eduard Shevardnadze and Georgian brass hats departed for the war games. Journalists interpreted this move as a pretext for a meeting with Adjarian leader Aslan Abashidze.

According to earlier reports, the latter temporarily combined the duties of parliament speaker (he dissolved parliament last year by his decree) with the duties of Adjarian

premier. Reports say that this was done "at the suggestion of the heads of ministries and departments of the autonomous republic".

This move caused anxiety in Tbilisi which is concerned that Adjaria is increasingly disassociating itself from Georgia.

Despite the fact that the list of Russian journalists was compiled and agreed upon in good time, they got up at early hours and arrived at the Tbilisi airport in advance.

Nevertheless, they were removed from the plane, as ITAR-TASS learnt, "due to overload". Therefore, journalists have to be content with paltry reports received at the press centre of the Russian army group in Tbilisi.

Batumi Hosts Joint Russo-Georgian Military Course

PM1606153394 Moscow KRASNAYA ZVEZDA in Russian 16 Jun n 94 p 1

[Report by Lieutenant Colonel Sergey Prangishvili and Captain Vitaliy Denisov: "Joint Studies for Russian and Georgian Military"]

[Text] A course for commanders and deputy commanders of combined and other units began on 15 June at the Batumi garrison under the direction of Colonel General Fedor Reut, commander of the Group of Russian Forces in the Transcaucasus. A delegation from the Georgian Defense Ministry headed by Brigadier General Guram Nikolaishvili, first deputy defense minister, is attending the course.

In conversation with your KRASNAYA ZVEZDA correspondent, Gen Guram Niklaishvili stated: "Our contacts with the Russian military-political leadership and the command of the Russian troops in the Transcaucasus are being strengthened constantly. The present event is by no means the first in a series of theoretical and practical courses based on the Group of Russian Forces in the Transcaucasus that our generals and other officers have taken part in."

Communists Unite To Form One Party, Elect New Leaders

AU1606112494 Tbilisi KOMUNISTI in Georgian 7 Jun 94 p 1

["Own"-signed report: "Bulletin"]

[Excerpts] On 23 May, a meeting of the Georgian Workers Communist Party, the Georgian Union of Communists, the political organization "Stalin," and the international organization "Remembrance of Stalin" was held in the conference hall of the Officers House in Tbilisi.

Major General Panteleimon Giorgadze, member of the bureau of the Georgian Workers Communist Party Central Committee, delivered the opening address. He congratulated those participating in the meeting on the unification of socialist-oriented parties and organizations in Georgia and wished them fruitful labor in the struggle for Georgia's happy future.

Those participating in the meeting unanimously supported the proposal made by Communist **Pilipe Makharadze** that the socialist- oriented political parties and organizations in Georgia unite to form one party that would be called "the Georgian United Communist Party." He pointed out: "Our strength and invincibility lies in unification. In order to form the right and effective leadership of the united parties, it is necessary to create a provisional political council in the period prior to the congress; this council will, at the same time, supervise preparations for the party congress."

On his proposal, those participating in the meeting—there were 452 Communists present—adopted the decision that the current meeting of socialist-oriented parties and organizations should be called **the United Congress of Parties Adhering to Socialist Ideas.**

A decision of the congress participants confirmed KOMUNISTI, the press organ of the Georgian Workers Communist Party, as the Georgian United Communist Party paper. [passage omitted]

Following discussion of the question, the congress adopted a resolution and elected the members of the Georgian United Communist Party Political Council.

At the same time, a Georgian United Communist Party Political Council session was held at which the rules of the party were approved by a majority of votes. The rules are published in this edition of the paper.

At the session, Panteleimon Giorgadze was elected chairman of the Georgian United Communist Party Political Council.

The following were elected deputy chairmen: Sergo Rigvava, Grigol Oniani, and Vilhelm Makharadze. [passage omitted]

On 3 June 1994, a Georgian Workers Communist Party Central Committee plenum was held. The plenum discussed organizational matters.

1. **Ivane Tsiklauri** was released from his duties as first secretary of the Georgian Workers Communist Party Central Committee and was removed from the bureau.

2. **Shalva Berianidze** was released from his duties as secretary of the Georgian Workers Communist Party Central Committee and removed from the bureau.

3. **Panteleimon Giorgadze** was elected first secretary of the Georgian Workers Communist Party Central Committee, **Vilhelm Makharadze** was elected second secretary, and **Manana Kevanishvili** secretary.

Estonia

Interior Minister Survives Confidence Vote in Parliament

WS1706081494 Tallinn ETA in English 1754 GMT 16 Jun 94

["News Release"]

[Text] Tallinn, June 16—Estonian Interior Minister Heiki Arike narrowly won a vote of confidence with 43 MPs supporting the bill on no confidence while the required number of votes was 51. Thirteen MPs voted against the bill while five abstained.

The bill was presented to the Riigikogu [parliament] by Ants Erm on grounds that the minister had allowed granting arms sales certificate to a company who had planned to export them to Azerbaijan.

His move followed a statement by Uuno Ellen, the Director General of the Estonian Police Board, that he had been advised to sign the certificate by Arike. Ellen also read a written suggestion by Arike in a broadcast at commercial KUKU radio.

Accord Signed With Iceland To Prevent Double Taxation

WS1706075494 Tallinn BNS in English 1804 GMT 16 Jun 94

[Text] Tallinn, June 16, BNS—Estonian Ambassador to Iceland Arvo Jurgen Alas and Iceland's Foreign Minister Jon Baldvin Hannibalsson on Thursday signed in Reykjavik an Estonian-Icelandic agreement on avoiding double taxation, the Foreign Ministry press service told BNS.

After the signing Alas and Hannibalsson discussed Estonian- Russian relations, including the problems related to the withdrawal of Russian troops from Estonia, and prospects for developing economic cooperation between the two countries.

The meeting also touched on Iceland's bid to join the Council of Baltic Sea States, the Foreign Ministry press service informs.

Latvia

Parliament Amends Copyright Stipulations in Radio, TV Law

WS1706081394 Tallinn BNS in English 1501 GMT 16 Jun 94

[Text] Riga, Jun 16, BNS—The Latvian Saeima (parliament) adopted amendments Thursday to the law on radio and television stipulating free distribution and use of state-owned radio and television program charts.

Consequently, legislators rejected the previous version of the bill that applied copyright norms to state-owned radio and TV programs.

Democratic Party's Ilga Grava supported the new version claiming that a broadcast schedule is not creative work but "a showing of work content of state institutions."

The paid publication of the programs would soar newspaper prices and tax-payers would have to make additional investment into the maintenance of state-owned radio and television, speakers said.

Lithuania

Debate Begins on Social Democrats No Confidence Vote

WS1606131294 Tallinn BNS in English 1207 GMT 16 Jun 94

[Text] Vilnius, Jun 16, BNS—Aloyzas Sakalas, the head of the parliamentary faction of the Lithuanian Social Democratic Party (LSDP) and deputy parliament chairman, presented the Seimas [parliament] Thursday with a draft vote of no confidence to the Lithuanian government led by Adolfas Slezevicius. "We cannot look indifferently at how our economy has been deteriorating," Sakalas said.

The Social Democratic faction who initiated the motion of non- confidence blame the government for failing to stabilize the national economy or "to make the life of Lithuanian people easier."

However, the LSDP says that the main motive for no confidence to the Cabinet of the governing Lithuanian Democratic Labor Party (LDLP), is the failure to carry out the commitments the party took on in the pre-election period last June. "Then it /LSDP election program/ was the best basis for reforming the Lithuanian economy," said the chairman of the LSDP faction.

"The left-wing government has fallen short of coming up with an industry restructuring programme foreseeing the directions of its development; the best ways of using energy resources, scientific and labor potential; and sales on foreign and domestic markets," said Sakalas.

85 percent of foreign loans assigned to Lithuania was used by the government for consumer purposes. Each Lithuanian citizen owes foreign creditors $120 which were "eaten up instead of investing," according to the LSDP lawmaker.

In the sphere of agriculture the government has failed to coordinate the production of farmers and food-processing industries, Sakalas said.

He termed the tax and budget policy as "being badly implemented. Heavy taxes burden people who live merely on their salaries, while no indexing of budgetary expenditure is carried out and inflation rates are not taken into account."

The Social Democratic MP stated that the Slezevicius-led government has also neglected its pledge to set equal salaries for state-employed specialists with equal qualifications. "Why are teachers, physicians, and culture workers paid 2 to 3 times less than employees in the energy system?," Sakalas said.

The government missed the most favorable moment for indexing people's savings devaluated by inflation—this should have been done while introducing the national currency, according to the chairman of the LSDP.

The only consequences of the Slezevicius-led government is a decrease in the Gross Domestic Product, industrial production, and construction of flats by 35, 46 and 38 percent, respectively, during the year 1993, Sakalas said.

The economy has failed to be stabilized, the savings of people are further being devaluated by the ever-widening gab between prices and interest rates. "The standard of living has declined, social stratification has been on the rise dramatically, while no stabilization was reached in either the economic or social developments," Sakalas pointed out.

The head of the Social Democratic Party noted that the curbing of inflation processes "does not guarantee economic stability as always stressed by the prime minister."

After the statements of the Social Democratic faction, Lithuanian Prime Minister Adolfas Slezevicius, who is also chairman of the LDLP, answered question put forward by members of parliament.

Prime Minister Defends Record

WS1706081294 Tallinn BNS in English 1501 GMT 16 Jun 94

[Text] Vilnius, Jun 16, BNS—"The government is implementing in consecutive order the main principles of its program," said Lithuanian Prime Minister Adolfas Slezevicius replying to the draft resolution of no confidence presented to parliament by the Social Democratic faction Thursday.

Slezevicius said the Sixth Cabinet entered upon office at a time when the national economy was increasingly deteriorating. Among the most pressing circumstances were exorbitant inflation, a catastrophic decline in people's real income, an entirely ruined agriculture, declining industry, high crime rates, and a nearly $100 million debt to Russia for imported energy resources, according to Slezevicius.

"The average salary at that time was $27.00 while the average pension stood at merely $8.00. In the three years that had preceded a site was not allotted for the construction of an oil terminal on Lithuania's Baltic Sea coast. Instability reigned in Lithuania's monetary system and the foreign and economic policies were inefficient," Slezevicius enumerated. "At that point Lithuania was desperately lagging behind Latvia and Estonia. This was stated by both foreign experts and our neighbors who ruled out any possibility of economic cooperation under the circumstances," said Slezevicius, adding that "therefore the government was first of all trying to overcome the difficulties and stabilize the economy."

The prime minister stated that a boost was given to the economy after the government fixed adequate prices for energy resources, abandoned unnecessary subsidies, liberalized exports and imports and—most significantly—introduced, together with the Bank of Lithuania, the national currency, the lit. Later a law on the stability of the currency was passed.

The prime minister said that inflation decreased from its high 1,160 percent in 1992 and 189 percent in 1993 to the present level of 20.3 percent within five months of the fiscal 1994. "Inflation is the main macroeconomic indicator of the state of things in the whole economy," Slezevicius noted.

The premier said that the real income of the Lithuanian population in 1992 had dropped by 69.2 percent, but a 12.7 percent increase in it was achieved the following year. According to Slezevicius, "this is not much but a certain progress has been made." This year, in spite of inflation owing to the newly introduced Value Added Tax, the growth of the real income was 4.8 percent, according to the prime minister.

Comparing the growth of people's income in the three Baltic States, Slezevicius said that in Lithuania the average salary has increased 2.8 times, while the respective figures in Latvia and Estonia are 1.9 and 1.3. "Taking into account the differences in prices for municipal services /in Lithuania, Latvia and Estonia/, we can state that the former two and a half times gap in the purchasing power has been evened entirely," said the prime minister.

According to him, all international financial organizations, including the International Monetary Fund and the World Bank, are predicting good prospects for economic development in Lithuania.

The prime minister said that 55 percent of all investment into the Lithuanian economy last year came from oversees, "which illustrates the growth of foreign investment".

The prime minister regretted that, in their draft resolution of no confidence to the government, the Social Democratic faction failed to notice even a single positive shift in the governing Lithuanian Democratic Labor Party's [LDLP] policies. Their accusations are presented "in a very biased manner search narrow political interests," Slezevicius said.

The prime minister also reminded members of parliament that nearly all Lithuanian political forces have refused to take part in "the constructive activities," but opted for "the road of traversing and opposing" the activities of the LDLP, its parliamentary majority and government.

"All political forces were invited to take part in the work of the government, but the proposals got no response," Slezevicius said. He added that "the government is determined to continue the reforms and critically evaluates its own work." An amended program of action drawn up by the government is expected to be handed in to parliament soon.

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